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CANADA'S WEEKLY NEWSMAGAZINE

THE
STOCK MARKET:
Running for Cover

SEPTEMBER 14, 1998

'We have to land immediately'

—Swissair Flight 111

LOST IN THE DEPTHES

Anguished
relatives seek
answers after
a mysterious
crash kills 229

Peggy's Cove, N.S.



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Maclean's CANADA'S NATIONAL NEWSMAGAZINE

This Week

SEPTEMBER 24, 1999 VOL. 153 NO. 39

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2010-11: A solid year, with a 10% increase in sales. We're also launching our first ever UK website, www.brownjohnson.com, in late August 2010. May 2010 saw the debut of the new 'B' line collection, which has been well received by the trade and consumers alike. The new range includes a range of new products such as the 'B' line leather jacket, which has sold over 100,000 units since its launch in April 2010. This summer, the 'B' line collection will be expanded to include men's and women's accessories, including hats, bags, belts and scarves.

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Lost in
the depths

The crash of *Sensor Flight* 311 at Peppin Cove in Nova Scotia claimed 229 lives. As grieving relatives of the victims arrived in Canada, investigators tried to recover remains—and pondered the mystery of one of the worst air disasters in Canadian territory.



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festival**



From The Editor

Taking shelter from traders



Paul Krugman has had an unusual experience for an academic: The MIT economist recently argued the case for Asian currency controls—and Malaysia promptly imposed a ban on trading of the ringgit abroad as an effort to shelter itself from the crisis sweeping the region. On his MIT Internet page last Tuesday, Krugman issued an open letter to Malaysian Prime Minister Mahathir Mohamad, noting his surprise at the "sweeping new currency controls yesterday," and suggesting that a positive response

Chicago exchange can

Krugman's basic argument was that Asia had nothing to lose. As he wrote in *Forbes* magazine: "Every country that has tried to maintain exchange controls for an extended period eventually finds the resulting exchange controls intolerable, and there is a natural tendency among economists that exchange controls work only so long. But when you face the kind of disorder now occurring in Asia, it's hard to argue that you can't afford to try."

controls as "bad in return, not an alternative." The more he generated the usual round of denunciations—that controls are counterproductive, unworkable, susceptible to graft. Nahshir was fixed: "The only way to manage the economy is to insulate it from external influences."

In less student terms, some other leaders have exhibited a bias toward the intervention. Last week, there was speculation that the Japanese government was behind decisions by major public pension funds to buy up stock and prop up the troubled market. In Hong Kong, there were no doubts. The Hong Kong dollar slumped 7.1 per cent the day after the government stopped buying up securities, a move that cost more than \$3 billion in two species.

Even Paul Martin has raised short-term need to bring some order to global affairs. The finance minister, who is no bleeding heart about the norms of the market, is concerned about the growing power of global banks. He has proposed a new organization, with no enforcement powers, that would advise regulators about corporate banking norms around the world. "What we are talking about," says Martin, "is not the creation of another office on Pennsylvania Avenue, but rather come up with mechanisms to ensure that we all see the rules the same way."

The boys in red suspensions may now be running the world, but a backlash about the way they work has begun.

Correspondent John DeMont, a native Nova Scotian and former *MetLife* business chief who returned to familiar turf from his base in Ottawa, noted, "This is a place where people still die on fishing boats and in mines. They are used to natural tragedies, but this seemed so unnatural and you could see it in their faces."

Also contributing to the package was Cynthia Drissil, an editor with The Gladys Adel Roberts, a monthly community newspaper in Hobart, N.S., near Peggy's Cove. The main story was written by Anthony Wilson-Smith and Senior Editor Peter Knott interviewed the 11-year-old.

Newsroom Notes:

The watch at Peggy's Cove

Deadlines are among the most difficult assignments for reporters—and last week's crash of *Sesame Street* Flight 111 was no exception for Michael's staff on the scene at Peggy's Cove in Nova Scotia to report this week's cover package. "You can get a bit preoccupied reading from one media brief to the next," says Michael. *Photo: Michael J. Rothery*



细菌性食物中毒的治疗

Brandy Branswell, "but when you see the personal effects being recovered from the water and you see the victims' families, the tenderness of it all really hits home."

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The Mail

Separatism in court

The Supreme Court ruled that separation is an issue to be decided at political level. But then the court overruled its bounds by not limiting its ruling to providing clear answers to clear questions posed to it by the government ("Judgment day," Cover, Aug. 31). The court made a new law by instructing the federal government to negotiate in case Quebec votes to separate. The Constitution does not in any way prescribe the required actions in case of separation and the court has no mandate to tell any government what it should or should not do. For that part of its ruling, the Supreme Court should be held in contempt of Parliament. Otherwise, we might as well have a lot of money by dismantling Parliament and leave all law-making to a group of unelected lawyers.

Peter J. Trowle



much more. It is long past time to put this into law and then, have the Supreme Court deal with questions about it when and if it is brought forward from the lower courts.

Robert Brink
Peterborough, Ont.

What constitutes a clear majority for the next Quebec referendum? The 1980 referendum provides a clear answer: No voter turned 50.6 per cent of ballots cast, and therefore, it is deemed good enough for a "No" verdict, surely the same rule applies to a Yes?

Jerry Stach
Markham, Ontario

Private and public

How can Americans make such a fast about Monica Lewinsky when there are world-shaking issues like the embassy bombing, Iraq, Russia and the Middle East for Bill Clinton to deal with? ("Sex" less? Why don't they let him get on with his bigger issues?)

Peter O'Brien
Toronto

It frightens me that so many of my fellow Americans believe a president's character is of no consequence and that his private life should be immune from scrutiny. A just and vigorous president is vulnerable to blackmail and intimacy. Support Monica Lewinsky had been an agent of a Colombian drug cartel, which is to bear appeals from lower courts, but to break new ground and establish new laws. The answer to the first question—"Can Quebec secede unilaterally from Canada under the Constitution?"—was a simple no, since there is no mechanism in the Constitution for the secession of land from Canada. Why did this take weeks of deliberation? Is it not weaker to have had to argue? The court and separation could happen only if people are "colonized" or are being "oppressed." This is most certainly not the case in Quebec. Finally, the court used the expression "clear majority," without defining it, and said that if there is another referendum, which had a clear majority, the federal government would be required to negotiate a separation. There is no basis to allow at present in Canada for such a majority. The word "majority" alone is defined as just "more than half," without specifying how

Tragedy and emotion

Well, Steve (Cameron), I credit too and watched with sadness, even fascination, a year ago, as the world grieved and the Royal Family dealt with the death of their high-profile princess. After reading "Many people cried" (Special Report, Aug. 31), I think I finally understand my own reaction to that tragic event. It was history, soap opera and Greek tragedy all rolled into one. Diana was like Mother Teresa, but somehow the world seemed a little diminished without her.

Anne Zembla,
Mississauga, Ont.

drug cartels), the Mafia, the IRA or PLO President Clinton is potentially the United States' number 1 national security risk.

Gerry E. Entwistle
Milwaukee, Wis.

Infiltrating the Tories

As a member of the "Inlet-MacLean-Tarboe's Council of Canadians," a majority of Canadians Concerned About Free Trade, and a Canadian who has supported the Green Party and the NDP, I suppose I am one of the "heretics" who has taken a leadership role in the Progressive Greens' new party ("Capital Confidential," Opening Notes, Aug. 30). I did that so I can cast my vote for David Suzuki as leader of the party in its strategy to stand for a strong Canada, opposed to so-called free trade with the United States and to the absorption of Canada into the U.S. economy?

Peter Davis,
Scarborough, Ont.

CLARIFICATION

In "The data game" (Cover, Aug. 17) states that Air Miles program sponsors can "pay extra for a separate peek at one another's data." It goes on to suggest that the Bank of Montreal would share personal customer data with other members of the Air Miles program. That notion is completely nonsense. The Bank of Montreal never discloses customer lists or information outside the bank. In fact, our contract with the Loyalty Group specifically prohibits it from disclosing to other Air Miles sponsors which Air Miles collectors are Bank of Montreal customers.

Robert W. Pearce,
Executive vice-president
Deutsche banking services,
Bank of Montreal,
Toronto

President and chief executive officer,
Canadian Direct Marketing Association,
Toronto

Auto *motive* Marketplace ONTARIO

Taking the Pain out of Buying a Vehicle

Dennis DesRosiers



As

an independent auto consultant, I hear and try to understand both the consumer and dealer side of the buying process. Consumers tell me their horror stories and dealers counter with equally notorious experiences of their own. Consumers have almost a complete contempt for the buying process. Their list of complaints is long:

- Dealers not giving the information required to make a decision
- Misleading and confusing prices
- Poorly trained sales staff
- Having to deal with three or four different people at the dealership
- Being sold what the dealer wants to sell rather than what they want to buy
- Selling of unwanted accessories such as rust proofing, fabric protection
- Selling of additional services such as extended warranties, disability and life insurance.

Most of the car-buying public have experienced the above situations at one time or another when they have purchased a vehicle through a dealership. Information on various packages of options or features may be presented in such a way that consumers find it impossible to put a value on the alternatives. Or consumers may be told that, for a variety of reasons, the specific type of vehicle with the features they will be difficult to get, and they are then pressured to buy a different vehicle.

Dealers' newspaper ads and other media commercials may prominently emphasize a price that is widely divergent from the

same vehicle with the features customers actually want. Or customers may be told that "freight" is an extra cost. And rather than having the comfortable feeling a lone person guiding them through the buying experience as a single process, consumers may be faced with different dealer personnel for the vehicle sale, its financing, service package, and certain options or extra services.

For example, it also often seems very difficult for customers to avoid an entirely new sales session in a separate room or office, in which someone other than the original sales person tries to sell the add-on services and accessories I mentioned. And I know from discussions with consumers that they feel intense pressure and uneasiness in these "add-on" sales sessions.

Consumers tell me with hair-raising words: "I didn't want to fight with my dealer I just wanted to take a look at XYZ vehicle, make up my mind and then buy it. The dealer made the process so difficult."

Dealers who say some customers make the buying process difficult, have some concerns of their own about consumer behaviour. Of course if you believe in the old saying, "the customer is always right," then none of the dealer complaints hold merit. Some of the problems dealers say they encounter include:

- Consumers with "buyer's remorse" who take the vehicle home and then decide they do not like it
- Those whose egos run out to be bigger than their bank accounts and who then blame the dealer for having to buy a vehicle that does not fit their dreams
- The hoard of wasted time spent with consumers who have no intention of buying but tell the dealer otherwise
- Those who take their poor credit ratings out on the dealer
- Consumers who bargain the dealer down to the lowest possible price and then will not come back to the dealer for service

LETTERS TO THE EDITOR

Letters to the editor should be addressed to:
Maclean's Magazine Letters
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Email: letters@maclean.ca
Maclean's reserves the right to edit letters. Please keep your comments brief and to the point. Please supply name, address and telephone number.
Submissions may appear in Maclean's electronic issue.

cties responsible for maintaining computer files on everything related to customer purchases and subsequent service visits.

If a buyer has a problem, the advocate will be there for doing whatever is needed to make sure the problem is fixed and the customer happy. Customers will have one contact point at the dealership who handles all aspects of the initial sale, financing, used vehicle trade-in and after-sale parts and service.

Anyways, if you're still reading this, the old high-pressure system of selling cars is about to die a well-deserved death. We are going to see a dramatic restructuring of a franchise auto distribution and sales system that has not changed much since the 1950s. The current system is both costly and inefficient and is the weakest part of the auto sector's value chain that stretches from vehicle design to development, manufacturing, distribution and sales.

The vehicle companies are all offering pretty much the same level of product quality and most have made tremendous strides in streamlining costs from vehicle development and

production. The focus now is on distribution and retail which account for between 30 and 40 percent of the cost of each new vehicle sold. The current waste in the system occurs in many ways:

- Overstocking — more dealers than are necessary to meet customer demand.
- Excess marketing — the cost of putting would-be buyers into showrooms.
- Corrections — failing to satisfy the buyer the first time.

In addition to these problems, today's consumers are less choosy about how or where they get their vehicles. Instead of dictated by using the Internet, many do not even have to go to the showroom. Consumer indifference caused with problems in the traditional auto distribution network, has opened the door for the new formats such as automobile and superstores. Initially superstores are only selling used vehicles, but in the United States there have been given new vehicle franchises as well. And it is likely these superstores will come to Canada in the next year or so.

Dealers outside the vehicle manufac-

turers for many of these new initiatives but novel concepts and ideas are not going to go away. Car dealers are going to have to jettison the outdated traditional selling techniques that so many consumers find offensive. The vehicle buying process is going to change because that is the way consumers want it.

NUMBER OF DEALER FRANCHISES, 1989-1995

	CANADA
1989	4,110
1990	4,058
1991	3,960
1992	3,885
1993	3,872
1994	3,885
1995	3,819
1996	3,714
1997	3,605
1998	3,585

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Robert K. (Bob) Purvis,
CEO, OADA/TADA

Do You Know WHAT QUESTIONS TO ASK WHEN HAVING YOUR CAR SERVICED?

In today's sophisticated high-tech automobile world, it is imperative when having your car serviced to make sure those working on it have the knowledge and proper equipment to do the job.

The days of having only one mechanic working on a car are fast disappearing, says Paul Stern, President of Parkwood Central (1991) Ltd., a Toronto-based Chevrolet, Oldsmobile and Cadillac dealership, who adds that to properly service today's computerized automobiles requires the attention of various specialists in a dealership's service department.

"The new cars are so complex and sophisticated, it would be extremely difficult for any one individual to understand the total workings of the vehicle. At our own operations, for example, it is necessary to maintain people who understand the computer systems, as well as those who are front end, back end, electrical and trim specialists."

In addition, the changes being made to today's vehicles are so rapid that even these specialists require continuing education on an annual basis. For this reason, the quality of the service departments of most automobile dealers depends on the level of manufacturers' training received."

Stern says even something as simple as wheel balancing should be computer controlled. If the tires are not balanced exactly, it affects the whole car, he adds. "We frequently get a lot of disgruntled customers who took their cars to a one or two-person garage which didn't have the technology, parts or equipment to do the job. Not only was the work done wrong, it was a great inconvenience and cost to the customer."

This type of situation is frequently encountered when the warranty on cars expires, says Bob Purvis, Chief Executive Officer of the Toronto Automobile Dealers Association.

"Many people feel they will get a better deal by

taking their car to their neighborhood garage. While most of these independents are very reputable, it would be prudent to question them about their expertise and equipment. The last thing a customer needs is an unpleasant surprise."

Unfortunately, there are too many incidents of people having their cars towed into the dealership with the parts in a box after the car was originally taken to a small garage for servicing."

"Staying with the same dealership, even after the warranty expires, is beneficial because the dealer will have a record of what work has already been done to the car, making it easier to identify and assess potential needs."

Purvis also points out that new car dealerships carry factory parts specifically designed for the automobile. While many independents have access to these parts, which they purchase at wholesale through a dealer, there are others that only use generic parts, frequently manufactured offshore.

"While these offshore parts may do the job in the short term, they may not last as long, or not have as good a warranty. We frequently encounter this problem with brakes, hoses, mufflers and auto body parts."

"It's important that the customer get some kind of guarantee or warranty that covers not only the part, but also time worked - so you don't get charged twice for replacing the same part. Depending upon the part, most manufacturers provide full warranties from 90 days to one year."

He says that in cases where something goes wrong with a part, even if the warranty has expired, most dealers as part of their goodwill policies will fix it without extra charge, especially if the problem occurred within a short time after the warranty expiration date.

When it comes to replacement parts, Purvis says consumers should also be wary of expressmen, "as

good as, like or rebuilt." Again, he advises, get it in writing to protect yourself!

Most consumers are far more knowledgeable about servicing their cars than ever before, Stern says. There is more information available to them on just about every aspect they need to know through the media, the Internet and other sources. They understand value and today's service managers are very cognizant of this fact.

He also notes that in today's world, women are involved in about 70 per cent of the purchasing and/or servicing decisions of vehicles. "In general, we find they are more conscientious about the care of the car than their male counterparts. In fact, at Parkwood Central my service manager is a woman as is one of my service coordinators and a service advisor."

- Parkwood's service manager recommends that consumers ask the right questions to help there determine the value they are receiving at any given repair facility. These questions include:

- Do the service personnel collect all the information they need the first time? The days of writing up a repair order that states simply "engine stalls" or "check

brakes" are long over. With today's technology being so advanced in vehicles, the correct information is essential, especially with intermittent problems. If the problem is not evident when the car comes in for servicing, more extensive diagnosis or more than one visit may be required to correct the problem.

- Do they have the properly trained technicians/mechanics who use the latest diagnostic equipment and proper tools to fix your vehicle right the first time?

- Do the service personnel and technicians update their product knowledge on a regular basis through courses that are available by the manufacturer for your type of vehicle?

- Are the replacement parts backed up by a warranty for parts and labour and for how long? Most car manufacturers offer twelve months/unlimited kilometers on original equipment parts and labour or even three years/100,000 km warranty (whichever occurs first) on major components such as transmissions or engines.

Stern says there is no free lunch when it comes to servicing. "Ask the right questions. It will save you money and time and a lot of aggravation."

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Volvo ST15 SE Special Edition is an equally exciting expression of a spacious, hard-working family sedan. With amenities such as leather interior, sunroof, CD player and leather-trimmed steering wheel, it is also a sporting automobile that caters to the sensory needs of enthusiastic drivers. Its power and poise are nice in a family sedan.

The heart of both cars is Volvo's ferocious 236 horsepower turbocharged five-cylinder engine. Sport suspension, traction control and ABS complete the performance package. The driver experiences the combination through hands, feet and driver's seat - which, of course, is when the fun starts. In short, these Volvos are high performance automobiles that rival the best of the German marques at thousands less.

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Volvo C70 Coupe



Volvo ST15 SE Special Edition

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Backstage



Anthony Wilson-Smith

The Charles Bronfman way

To understand Charles Bronfman, say some long-time friends, you have to realize that he possesses several apparently contradictory qualities. One, says Toronto power lawyer Michael Levine, is that "for a guy with such a delightful sense of humor, Charles sometimes comes up with the darkest stories." In fact, the 67-year-old Bronfman, who spends an increasing amount of time these days travelling, takes his laptop computer everywhere in order to stay in touch with friends by e-mail. "When I see that I have a message from Charles, I always get excited," says Levine with a laugh. "Then, when I read it, it's often the kind of joke that makes you groan and roll your eyes at the same time." Says another friend, "Charles is one of the nice, least obnoxious people in the world—but if he cares about something, he will give you no peace until he's told exactly what's so good."

People who meet Bronfman invariably remark on his large, liquid brown eyes, unfaltering courtesy, and soft-spoken manner. But underneath has a touch of steel, once he makes up his mind on an issue, he moves boldly and decisively—and is successful! for more than that, too. (The most dramatic example of that has been his decision in 1980 to rescue the then-bogging Montreal Express baseball team close to its wits on the brink of collapse.) Of his new operating philosophy, Bronfman says seriously, "Like to know things I'm involved in. Like to think they have a proper purpose—and like them properly run."

That may explain why, despite his advancing age and personal fortune (estimated at \$5 billion), Bronfman is unusually busy than ever. "I would be very difficult to assassinate who has never made much for me to start doing so now," he says. On the business front, Bronfman continues to play "a quite active role" in running the huge Seagram Company Ltd. empire, which his nephew, Estate Jr., 42, is chief executive officer. There, there's a Clarke-like, the privately owned, Montreal-based investment company in which Bronfman owns majority interest. And, for both business and personal reasons, there is the question of which of his properties to visit next. He and his wife, Andrea, keep homes in Jerusalem, New York City, Florida and Montreal. (The couple who were average less than a week a month in Montreal, bought a condominium in the city after selling their Westmount apartment for \$2.7 million last year.)

And there is the CDB Foundation, the late-Monster project of Bronfman that bears his name—and may be remembered as his greatest legacy. A charitable foundation that he conceived and founded 12 years ago, its workings reflect Bronfman's fondness for generosity and secrecy. He will not say how much he has donated to the foundation, and describes its two models in terms that are deliberately not specific. "We promote Canada, and encourage the unity of the Jewish people around the world."

In fact, close associates of Bronfman say that his initial endowment to the foundation was about \$100 million, and that since more than \$5 million annually is grants and projects since then. When Bronfman started the foundation in 1985, he said he saw it as "nothing" "a chance to make some pretty big dreams come true." One way this has happened is through a program that helps organize and subsidize trips by North American Jewish teenagers to Israel.

In Canada, the most visible reflection of the foundation's work is the Heritage Minutes program, which from the outset has been an almost astonishing success. It would be hard to find a Canadian who has not seen at least one of the 80-second videotapes that, since 1991, have offered dramatic re-creations of pivotal events in the nation's history. Produced in English and French, they are seen by an estimated 23 million Canadians a year either on television or in movie theatres. Each month, the number of times that the pictures are shown on networks and individual stations adds up to more than 80 hours of viewing.

These numbers aside, the most impressive aspects of the more than 60 minutes produced are their quality and range of subject matter. The topics range from the tragic—Canada's mistreatment of Chinese railway workers in the last century—to the heroic—the Winnipeg street that produced the survivors of the Yusho-ko in the First World War. Then, there's Bronfman's personal favorite, the resolution that one of the creators of the character Superman, Joe Shuster, was Canadian. Painstakingly researched and lovingly produced, the nature's were inspired by Bronfman's belief that "the way to teach young Canadians about our past is to teach them through the present tools of our popular culture."

These days, Bronfman says that he and Andrea—the fondly titled co-chairman—remain "very interested, but not very directly involved." He attends board meetings when possible, but is happy to leave most decisions in the hands of such advisors as Levine, longtime friend Leo Kellner, company director Theodore "Tibby" Asbury, and the foundation's creative director, Theodore Patrick Watson. "For all the advantageous charitable work, the biggest are run by the sheer enthusiasm it gives us," Bronfman says. And the budget of the CDB projects often bears his direct imprint. For one sample, the idea for the Heritage Minute First cause, Bronfman says, in 1981 when he was awarded membership in the Order of Canada. "I looked around the room and realized that here were these wonderful people who were asked for any credit for their works—but fully deserved much greater attention." And, which, in fact, is a description that perfectly applies to Bronfman himself.

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Opening NOTES

Renegade rollers

Vancouver's in-the-shaking community is getting off slow. On Aug. 28 after receiving numerous complaints, city police set up radar guns alongside Stanley Park trail-share by blues and rollerbladers to crack down on speeders in the latter category. Using the same equipment they use to catch drivers, they pulled more than a dozen skaters who were going faster than the 15-km/h limit on the popular snowball path. The speed demons received tickets, that carry a \$75 fine under a city bylaw.

And that has some seasoned bladers fuming. "The main issue with this police action is that it's mostly retribution," says Tony Ching, an experienced skater and owner of Outsole Indoor Sports, a downtown store that sells inline products. "That whole thing is looked upon as a joke by most of the people I've talked to."

According to unconfirmed sources, who can easily reach speeds of 25 km/h, a 15-km/h limit doesn't provide a real workout. And how they question, are bladers supposed to know fast they are going when the skates don't come equipped with speedometers? "Lameo, what's the deal?" says Ching, 25. "They aren't like police out there chasing real criminals instead of picking on us lame skaters." Since the cops satrad in costume, the speed traps didn't catch them, those who feel the need for speed better start looking elsewhere.



No-blade skating in Stanley Park: say over under blitz and \$75 speeding tickets

CAPITAL CONFIDENTIAL



Martin creating a crack team of financial experts

Sometimes, the level of political anxiety generated by an event can be measured in deaths. Last week, construction workers were making gate A in the new floor below Finance Minister Paul Martin's office in the downtown Ottawa headquarters of the finance department. They were busy installing new windows of offices for a squad of about 30 treasury staff charged with managing the explosive debate over bank mergers. Setting up permanent seats just to oversee the government's response to the prospect of four big banks merging into two even bigger ones is an unusual move.

Martin has chosen Diane Gaffney, a former policy adviser from his own tightly knit staff in the crucial strategic planning and communications section of the group. Her role is to put the government's

way on a series of potentially explosive developments. The first challenges could come next week, when an independent federal task force is expected to deliver its unusually awaited report on the future of financial institutions, including bank mergers. Later in the fall, the federal corporation will release another key study on whether the proposed mergers will stifle high-quality competition. And committees of senators and MPs are gearing up to hold public hearings starting this month. With such a wide range of players holding it in their toe the outcome, Martin's back-tracker needs his workload cut in half to keep the pressure off the boss. More than anything, he needs time, and insiders say Martin is not likely to be ready to fully approve or reject the mergers until well into 1999.

EMPORIUM

According to Statistics Canada, the total number of international passengers flew on Air Canada in June 2.1 million.

On Canadian Airlines 1.5 million

The global population is expected to surpass six billion by the end of the year. According to the Population Reference Bureau, the current rates of birth and death (Per year births: 426,067,549; deaths: 53,382,252) (Per hour births: 515,636; deaths: 6,092)

GOLDFARB POLL

Fall brings another crop of new TV offerings, plus the return of a few old show. Some Canadians will resent the small-screen enticements and stick with their books. In fact, the more people read, the less likely they are to turn on the television. The average number of hours per week spent watching TV by 1,400 adult Canadians

Total	Average hours who read more than 6 books a month	Average hours who read a book or less per month	Average hours who never read
21.7	10.4	21.2	24.1

Source: Canadian Press Poll

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Jenkins now is in 1982 (below):
Canada's first Hall of Famer

DOUBLE TAKE

Fergie Jenkins

Ferguson Jenkins was an outstanding figure in sports—a six-foot, five-inch right-hander who struck out almost 3,200 batters during his 19 major-league seasons. The Chat涵, Ill., native, now 56, won 20 or more games in a season seven times. And, in 1981, eight years after his career ended, he became the first Canadian elected to the Baseball Hall of Fame in Cooperstown, N.Y. Now living on a 120-hectare ranch near Guthrie, Okla., 20 miles north of Oklahoma City, the soft-spoken Jenkins—



"You have to talk about things out," he says. "It's a lot brighter far me now."

FRANCY JENKINS

POP MOVIES

Jamaican groove

Based on Terry McMillan's best-selling novel of the same name, how *Shine* got her (Grover) back stars Angela Bassett as a successful businesswoman who goes to Jamaica for a vacation and finds a fling with a local man 20 years her junior. But when the racial romance becomes real love, her thoughts and family can't fully understand.

The movie is directed by Tony (Spider-Man) by Corinna (David Byrne and Alanis Morissette) is full of lots of derivative fun. The soft-spoken, who lived through Bassett's career, relatives and the band members since the 1970s—nearly for a radio documentary or group—collecting a wealth of anecdotes about the Fab Four.



1. <i>Romeo + Juliet</i> (1996)	\$1,239,388
2. <i>Home on the Range</i> (2004)	\$1,156,389
3. <i>There's Something About Mary</i> (1998)	\$1,153,528
4. <i>Six Feet Under</i> (2001)	\$1,035,528
5. <i>Home Alone</i> (1990)	\$960,049
6. <i>Angels in the Outfield</i> (2000)	\$836,288
7. <i>Home Alone 2: Lost in New York</i> (1992)	\$834,538
8. <i>Beverly Hills Cop</i> (1984)	\$546,759
9. <i>The Poseidon Adventure</i> (1972)	\$514,538
10. <i>Beat Men of Barrow</i> (1969)	\$311,339

OPENING NOTES

BEST-SELLERS

FICTION

1. *Shutter Island* (2010)
2. *White Is the Color*, John Irving (2008)
3. *I Know This Much Is True*, Wally Lamb (2009)
4. *The Devil Wears Prada*, Lauren Weisberger (2003)
5. *Sex and the City*, Kristin Hannah (2000)
6. *Summer Soldiers*, Jeffery Deaver (2008)
7. *Body Doubts*, Michael Connelly (2009)
8. *Simple Plan*, Michael Connelly (2009)
9. *De-Lovely*, Zane Grey (1923)
10. *Goodbye Darkness*, William Manchester (2008)
11. *Reservoir Dogs*, Quentin Tarantino (1992)

NONFICTION

1. *The Best Stories*, Mark Twain
2. *My Country Tis of You*, The Beatles (1969)
3. *The Big Book*, Alcoholics Anonymous (1939)
4. *The Millionaire Next Door*, Thomas Stanley and William D. Hargrove (2000)
5. *Tables Turned*, Emily Dickinson (1995)
6. *Body Doubts*, Michael Connelly (2008)
7. *Body Doubts*, Michael Connelly (2009)
8. *A Novel Education*, Michael Connelly (2010)
9. *Building the Cat*, Michael Connelly (2010)
10. *Who Killed Daniel Pearl?*, Justin Cronin (2007)
11. *Angels & Demons*, Dan Brown (2003)
12. *In the Woods*, Dennis Lehane (2005)
13. *A Walk in the Woods*, Bill Bryson (1998)
14. *Private Life with Compton* (2008), Dennis Lehane (2008)

Passages

RETURNS: CBC Radio host Max Ferguson, 74, in Toronto. Ferguson started his five-decade career with the CBC in 1946 in Halifax. His show, *Prairie Pageant*, was so popular that it was transferred to the national network two years later,

and remained an perennial fixture until 1968. He carried Saturday morning programs. The Max Ferguson Show, a mix of music and monologue, has been running since 1962. Ferguson is also a published author. And now he's won the Stephen Leacock Medal for Humour in 1968.

DIED: English press baron Lord Rothermere, 73, of a heart attack, in London. Rothermere had control of his family company, Associated Newspapers, in 1971 and increased annual sales to \$2 billion from \$134 million.

DIED: Second World War hero and former lumber baron Merrill Gribble, 78, in Victoria. Gribble earned the Military Cross and Distinguished Service Order before returning to British Columbia and founding Sooke Forest Products.

SIGNED: Outfield sensation Vladimir Guerrero, 22, of the Venezuelan Republic, to a five-year, \$43-million contract by the Expos in Montreal.

DIED: Golfer Gary Player, 77, a two-time U.S. Open champion and winner of the 1959 Masters of golf, in Memphis, Tenn.

DIED: One of the founders of the United Nations Commission on the Status of Women, Mercedes Berendsohn, 91, in the Dominican Republic.

DIED: Pulitzer Prize-winning novelist Alice Dreyer, 80, of cardiac arrest, in San Francisco. She was the award for her 1960 book, *Adolescent Confessions*.

CHARGED: Mike Tyson, 32, with assault, in Washington. Tyson allegedly hit Richard Hendrick, 50, in the face and knocked him in the pectoral after Hendrick rear-ended the boxer's Mercedes. If convicted, Tyson could be sentenced to 10 years in jail.

LOST IN THE DEPTHS

Canada
COVER



The Atlantic Ocean claims Swissair Flight 111 just off the coast of Nova Scotia



BY ANTHONY WILSON-SMITH

The 60 residents of Peggys Cove, N.S., have few lessons to learn when it comes to either nature's beauty—or its sometimes terrible power. The village, 43 km south of Halifax, is one of the most photographed spots in North America, with a stunningly picturesque harbor that is visited annually by thousands of tourists. For almost two centuries, residents of Peggys Cove and other nearby communities have fished the Atlantic Ocean, regularly confronting sunfish, towering waves and icy waters—and occasional losses at sea have become a fact of life. But when death came visiting one night last week, it did so in a different fashion: man-made, falling from the skies. Many local residents did not even hear the engines, sputtering engines of the doomed Swissair Flight 111 when it flew overhead shortly before 10:30 p.m. Atlantic time. It was moments later, when there was a sound alternately described as either a thud or a huge thunderclap 13 km out to sea, that they became aware of disaster at hand. "It was like a shock wave," said Randy Daniel, a 40-year-old sound engineer from nearby Chester. "We went outside to look for lightning. That's when the sirens started and we knew it was something awful."

By week's end, area residents were adjusting to a new, generally unwelcome form of income for their rugged stretch



Six minutes after the pilot's final transmission, the plane crashed

A SCENE OF TRAGEDY:
The impact of the crash, and
the 229 lives lost, sent
reverberations around the world
and spurred an intensive
investigative effort



COVER THE CRASH

of questions—as the greatest air crash in the second-worst air disaster ever in Canadian territory. The crash of the Swissair MD-11, which had left New York City's John F. Kennedy International Airport en route to Geneva, left all 229 people aboard, and left investigations passing over both its cause and circumstances. The last message recorded from the damaged aircraft by air traffic controllers was: "We have to land immediately." It was 10:34 a.m., and the plane was at 2,810 m. Six minutes later, it crashed into the sky Atlantic.

Although no cause has been firmly ruled out by officials thus far, authorities from both Canada and the United States say it is unlikely that sabotage was involved. About 40 investigators from the two countries and Switzerland have been assigned to the crash, under the direction of federal transportation officials and Royal Canadian Mounted Police—who have dubbed the ongoing recovery effort Operation Preservation. They are focusing on the cause of the smoke that was reported by the pilots in the cockpit about 20 minutes before the disaster—the first sign of catastrophe ahead. One theory under consideration is that smoke caused by faulty

wiring may have dislodged the plates—with the result that when they tried to dump fuel shortly before their planned emergency landing, they inadvertently released all of it.

Whatever the cause, the impact of the crash, and the lives lost, sent reverberations around the world. Although the majority of victims were either American, French or Swiss, the passengers included people from 31 other countries—including a Canadian, 42-year-old Yves de Boissieu, a Mountaineer-born official with the children's aid agency UNICEF who was based in Geneva. In addition, seven officials from UN-related agencies visited the site because Geneva and New York are the sites of the international body's two largest operations. The Swissair flight was often humorously described as "the UN shuttle." And some friends and co-workers named a sister-in-law in the crash. "When you work for a humanitarian agency, there's always risk involved," particularly when you're posted in war-torn countries," one of de Boissieu's colleagues told *Medieval*. "But when it's such a tragic accident, it's a completely different circumstance—it's a waste."



Other victims included internationally renowned American AIDS researcher Dr. Jonathan Mann and his wife, Mary Lou Compton-Mann, a leading women's researcher and professor; and Brian and Susan Ian-John Polson, a member of South Africa's royal family. UN employee Peter Gericz took the plane only because he had been bumped from two previous flights, while Swiss professional tennis player Marc Rosset survived because he decided, at the last minute, to change his flight and stay in New York to practice another day after a early-round loss in the U.S. Open.

In the wake of the tragedy, about 800 volunteers of the victims travelled to Halifax—home of Swissair charter flights from New York and Switzerland. As the A300 Airbus from Zurich landed in fog and drizzle at Halifax International Airport on Friday, several passengers pulled the plane's blinds down to avoid the media frenzy just outside the relatives and the trip to Peggy's Cove, where officials had set up a special medical unit to allow them to look out toward the crash site. Several memorial services in different religious denominations were held over the weekend, some family members laid wreaths and collected jars of snow to take home. Among those making the trip to Peggy's Cove was Peter Gericz of Southport, Conn., whose brother Pierce, director of the African Great Lakes operations for the United Nations High Commissioner of Refugees, had been on board when he flew to Geneva from a family reunion. Gericz, whose brother would have turned 57 on Labour Day, did not come back from Peggy's Cove empty-handed. "I just left like having a memory," he said, explaining the two rocks he brought back with him. "It's such a beautiful place—and that's the irony of it. So I thought I'd have a memento for my sister-in-law."

Residents of Peggy's Cove and surrounding communities, mean-

while, did what they always do in times of crisis: pitched in to help (page 20). As soon as word of the crash spread, many took their boats out onto the choppy waters to begin the search, hoping to find survivors. They were joined shortly after by Canadian military Brigades, aircraft, a submarine with sophisticated sonar equipment and Maritime Command search-and-rescue vessels in scouring an estimated 75-square-kilometer patch of ocean. What they found was gruesome. Because of the horrific impact to the aircraft on the water, Dr. John Bell, Nova Scotia's chief medical examiner, said that most of the human remains were "fragmented." John Cleopatra, whose Uber翻滚 boat was one of the first on the accident scene, told *Newsweek* two days later that he was still in a state of disbelief. And the search experience, said local physician Robert Currie, was one that participants "won't be rid of for the rest of their lives."

Among the priorities for the searchers is finding the left-side black box that contains flight data and cockpit recordings that would potentially offer key clues to the cause of the disaster. As of Saturday, searchers were nearing the discovery of one of the two boxes—but bad driving conditions delayed their efforts. Among the debris collected were personal effects, ranging from a sweater found floating on the established wreath to a Bible, a still-lifeable postcard of New York City, a necklace, children's toys, a handwritten diary and a baseball glove. Such items offered almost heartbreakingly poignant reminders of the shattered lives of those aboard Flight 111—and the sheer sense of normalcy and routine with which passengers would have boarded the flight.

They would have had good reason for confidence. Swedes whose last accident was in 1973, is renowned within the airline industry for its high safety standards, and the two pilots flying the aircraft, Urs Zimmerman, 60, and copilot Stefan Lovis, 36, were veterans with ex-



COVER THE CRASH

'You've done a fantastic job. This is such a pretty town. So thanks.'

—Tim Larrow of Connecticut, whose wife lost an uncle in the crash, speaking to rescue workers in Peggy's Cove



explosive safety records. Zimmersmann, in fact, had served as a flight instructor in the past for the Boeing MD-11, and the two men had flown the same aircraft several days previously without problems.

Despite a history of some misfortune, the MD-11 is considered to have, overall, a good service record. A three-engine, wide-body aircraft that evolved from the DC-10, it has been praised by experts for its reliability—although Boeing announced earlier this year that it is phasing out production because of low commercial demand. Over the years, the MD-11 has been involved in about a half-dozen accidents of varying seriousness. Most of those involved crew error. The wing had always been a potential problem in the MD-11. Two years ago, American aviation officials recommended winging changes to the model because of concerns that a possible electrical fault could lead to fire or control problems.

Based on all the information pieced together last week from radar tracking and control tower conversations with the doomed aircraft, the final journey of Flight 111 began smoothly enough. The plane passed final inspection at Kennedy airport and landed smoothly into the air at 6:38 p.m. from New York. It travelled eastward towards the Atlantic on its flight path that would take over Nova Scotia flying at an altitude of 39,000 ft.

The first sign of trouble came about 96 minutes into the flight. At about 10:14 (the aircraft had entered into the Atlantic time zone), one hour ahead of eastern daylight time, the Swiss crew called the Moncton, N.B., air traffic control tower—which was responsible for the region. According to edited transcripts of the ensuing conversation that were made public Sunday, a voice—presumably that of Zimmersmann—said, “We have smoke in the cockpit,” and suggested Moncton as an emergency landing point. The tower at turns, advised them to turn towards Boston, but added if they pursued Halifax, about 228 km away the distance to Boston was 225 km. “Affirmative,” came the reply.

The captain and co-pilot, apparently having donned smoke masks and goggles, began bringing the plane so as to altitude under 3,000 ft. “We must dump some fuel,” Flight 111 told the control tower. Then, the control tower gave them permission to dump, and told them they were cleared to land. As a result of the decision to dump fuel and reduce altitude, the aircraft, which was within 46 km of the Halifax airport at the point, turned away from the city, flying in a U-pattern over the top of St. Margaret's Bay. Fed-



THE GRIMLY SALVAGE OPERATION:
Among the debris was a sweater found floating in the oil-streaked water, a Bible, a stylized portrait of New York City, a needle, children's toys, a handwritten diary, a birthday bathe-and human remains.

A SOUND LIKE 'A THUNDERCLAP'

After leaving New York City, Swissair Flight 111 was in the air for about 70 minutes before crashing into the waters of the Atlantic Ocean 25 km off Peggy's Cove, N.S., on the morning of Sept. 2. All four crew members died.

9:01:01 The Boeing MD-11 jet takes off from John F. Kennedy International Airport, quickly climbing to its cruising altitude of 39,000 ft.

9:13:14 Pilot Urs Zimmersmann reports smoke in the cockpit to regional air traffic controllers at Moncton, N.B. He requests a landing site and suggests Boston, 666 km from his position. Moncton offers him the alternative of Halifax, only 129 km away, and Zimmersmann agrees.

9:18:18 Moncton notifies Halifax rescue centre of the plight of Flight 111. Zimmersmann, meanwhile, says that before landing he has to dump fuel.

9:20:24 Zimmersmann declares an emergency and says the plane must land immediately.

9:23:30 The jet stems into the Atlantic with a roar, according to witnesses, like “a thunderclap” after departing from radar screens.

Initial transport officials said there were two good reasons for that decision: an emergency landing is safer without heavily loaded fuel tanks, and the aircraft, with the weight of the fuel, might have been too large and heavy to land on the Halifax runway without overshooting.

At about 10:24, we began to feel exchange with the control tower; the circuit began死ching that. At the same time, the cockpit issued a final, chilling message: “We are declaring an emergency. We are starting yaw now. We have to land immediately.” At that point, said Vic Gendron, the chief inspector with the National Transportation Safety Board, the base of the voice was quivered and cracked, probably because of oxygen mask mask. Six minutes later, said Gendron, the aircraft contacted the sea.

Shortly before the crash occurred, the passengers—according to established procedure—should have been told to move into crash mode, racking their hands onto their knees with hands clasped around their legs. The final signal for that action from the cockpit to the crew seconds before impact would be the code words “Break, Break.” Just before it hit the water, the aircraft sheared off the top of a navigational buoy.

The impact of the crash caused buildings to shake and images of television sets to flicker as much as 15 km away. Still, some residents of Peggy's Cove did not realize precisely what had happened until they received telephone calls from friends who heard news reports—or from reporters in the United States and elsewhere who called local houses in various seeking information. Almost immediately after that, local fishermen clustered into their vessels and began heading out to sea—despite the darkness and choppy 15° C waters—in search of survivors. On land, after the



A DOOMED COURSE: Pilot Urs Zimmersmann (left), a veteran with an exemplary safety record, cleared fuel over St. Margaret's Bay as he tried to ready the plane for an emergency landing at Halifax.

The final words

“We are declaring an emergency. We have to land immediately.”



sirens wailed, many residents turned on all their house lights to light up the shoreline for the crew to see.

In the end, Maritime Correctional officials overseeing operations did not formally switch the description of their activities from “search and rescue” to the ominous “search and recovery” until 1 p.m. Friday—almost 20 hours after the aircraft went down. But for those on the scene of the accident, it became apparent long before that there was little hope of finding survivors. As boats and overhead helicopters cast ghostly light on the heaving ocean, the searchers were confronted by battered human remains and masses of debris. At least one vessel turned back; its crew was too appalled by the sight. And Roy Bestwick, 72, who drove five hours a day after the crash, had precious experience recovering bodies from the sea while serving in the navy in the Second World War. But he gave up after one trip, calling this experience “too much” that was war days.

Repeatedly a small government of Canada would be seen descending at a cordon-off wheel, when it unloaded material recovered from the crash site. The human remains were put in a nearby refrigeration truck, and then taken to a makeshift morgue consisting of five refrigeration trucks set up at nearby CFB Shearwater. There, dental and pathology specialists worked on the difficult task of identifying victims, relying on a combination of past dental and medical records and DNA samples supplied by families.

Along with the overwhelming shock and tragedy, there was also a sense of frustration among local residents at the manner in which their lives were suddenly turned upside-down—especially by the 100 members of the media. “This is crazy,” said local resident Andrea O’Leary, the owner of Peggy’s Cove Bed and Breakfast, who first learned of the crash in a magazine edition on a CNN reporter who had her mother in a phone book, just. O’Leary, who operates a Peggy’s Cove Web site, reported receiving more than 21,000 “hits” in the first three days after the crash, emerging from best wishes to requests for more information.

Perhaps the most uncomfortable people were the usually stoic fishermen who went to the site to help—and in the aftermath found themselves besieged with questions about an experience most were trying hard to forget. “They are doing whatever they can to assist the media,”

that Coast. At the same time, despite the courageous behavior of most local residents, the RCMP had to issue public warnings that it would arrest anyone who damed and failed to turn in wreckage from the site—after rumors that some people had taken their boats out in search of survivors.

At the end of the week, off-shore refiners refused to even reveal how many bodies had been recovered, citing their battered state and the difficulties of identification. Preliminary autopsies indicate that all the victims were killed on impact when the aircraft hit the water—and those examinations had not yet shown any indications of snake bites on the victims, meaning any bite in the cabin was not widespread. Whereas if—they are satisfied that they have done all they can to recover the remains of the 229 victims, authorities will turn their full attention to determining the cause of the crash.

The search for answers will be daunting. In the aftermath of the crash, some observers questioned whether the pilot's initial plan to land in Boston coast Flight 111's precise location in the sky underscores what the plane might have successfully landed at Halifax. If it could have been kept aloft one-and-a-half-sevenths of eight minutes. And as the files in Yarmouth Airport's logbook show, the plane passed over its 45 final minutes—but they could have accommodated a landing and wondered why they were never informed of Flight 111's problems. But investigators are adamant that their en-



GRIEF IN A SMALL COMMUNITY: Fishermen in Peggy's Cove and other towns went out immediately to help with the rescue—and came back overwhelmed by what they had seen

ings findings indicate one conclusion: based on the voice recordings from the control tower, and Gordon, the behavior of the pilot in their final minutes was appropriate to the circumstances and fully professional. "For now what caused Flight 111 to fail from the sky remains a mystery. But for the families and friends of those who fell, the dreadful consequences are all too clear."

By BRENDAN BRANSWELL and JOHN DEMONT in
Peggy's Cove, SAGAWI ADDONNEAU in Halifax and
DAVID HIRSHLEIFER in TORONTO

A terrible toll

For centuries, the ocean has claimed the people of Atlantic Canada. But it has also exacted a toll on land, sometimes hundreds at once. In this century alone, the waters off Canada's East Coast have rippled into the scene of large-scale disasters.

April 10, 1912: In the world's most famous marine tragedy, 1,522 lives were lost when the Titanic sank 500 miles northeast of Newfoundland. The great lines, the legend, and most horrifically the last, tragic moments of its maiden voyage from Southampton, England, to New York City. The ship sank 15 hours to sink, with lifeboats and supplies available for the more than 2,000 people aboard, only 705 survived. The bodies of 150 sailors recovered from the sea were interred in Halifax.

May 29, 1914: In dense fog a Norwegian collier rammed the transoceanic Canadian Pacific passenger ship the Empress of Ireland in the St. Lawrence River near Rimouski. The high-

speed collision capsized a gashole in the liner's side, sinking it within 14 minutes. The Empress went down so quickly that passengers and crew had no time to board lifeboats, and 1,014 of the 1,477 people aboard died.

Dec. 6, 1917: In the crowded wartime harbor of Halifax, the French munitions ship Mont Blanc, loaded with 2,300 tons of TNT and other explosives, collided with the Belgian relief ship Imo. The resulting explosion was the largest at-sea blast before Hiroshima—and the worst disaster ever seen in Canada. It killed 1,800 people, injured 9,000 and left 6,000 homeless, most of them in Halifax's working-class north end, virtually leveled by the explosion.

Feb. 14, 1942: An early morning storm drove the U.S. minesweeper Polaris and its supply ship Trumper onto the rocks at the mouth of the Bay of Fundy, just north of Newfoundland's Bonavista Peninsula, killing 200 crewmen. Bad as the disaster was, 163 sailors were saved by the heroic efforts of fishermen from the nearby seaports of St. Lawrence and Louis, who took to sea as soon as they heard the news. A�ent of American government Inter-

viewed the U.S. government's 150 sailors recovered from the sea were interred in Halifax.

Feb. 15, 1942: In dense fog a Norwegian collier rammed the transoceanic Canadian Pacific passenger ship the Empress of Ireland in the St. Lawrence River near Rimouski. The high-

The search for hard facts

BY BRENDA BRANSWELL
and JOHN DEMONT

The frustrated media mob tried to draw out Transporta- tion Safety Board of Canada chief inspector Vic Gordon. "What were the Swissair pilots' last words?" repeated one reporter at the Peggy's Cove media briefings on Friday. "Was the cockpit fire set by a terrorist?" yelled another. But the disengaged pilot castled in empty hot tubs, causing the plane to crash? Did the crew make the right decisions during the emergency? "Feel Gordon, a low-key-looking man, refused to take the bait. "I don't deal with anything we've done," he said flatly.

He—and his team of investigators, which includes historians and Swiss experts—prefer to deal with cold, hard facts. By week's end, they were just beginning the long, grueling search for answers to why Swissair Flight 111 plunged into the ocean. TPICSO's Okanagan searched for the critical flight recorder box. Transport Canada experts sifted through the collected debris still in the plane. Forensic teams began examining the human remains. RCMP forensic specialists and laboratory experts worked to identify the bodies.

The flight data and cockpit voice recorders will be analyzed separately in eight directions. Bill Wildcock, a professor and associate director of the Centre for Space and Earth Safety Studies in Fredericton, N.B., told *Maclean's* that the technology in flight data recorders is highly sophisticated. It's part of a new generation of recorders that can measure a hundred different elements as the plane, providing a more complete picture of how an aircraft was functioning after an accident. "It will tell you a lot about the health of the airplane," Wildcock explained, "measuring it keeps running right up to the end." By late Saturday authorities had pieced together the initial acoustic distress signal of one of the recorders, and hoped to recover it soon.

And there is more high-staging ahead for the investigators. Some of—despite the warnings about who saw or heard the flight go down, including plane spotters—remain ordinary police work. But many of the techniques involved in other aspects of the investigation use sophisticated science, such as a remote-controlled submarine to search the bottom of the ocean, and hypersensitive equipment to test debris. As soon as any wreckage is lifted out of the water, it is examined by airplane-design specialists. Seawater experts



Investigators face stiff challenges in solving the mystery of Flight 111

GATHERING THE DEBRIS:
Relying on teamwork and sophisticated scientific techniques

and other MD-82 pilots looking for clues. "Sometimes, something big may not look important," said Gordon, "but perhaps what it is correlated with other information, mistakes can be drawn."

Forensic teams also face a challenging job, he says. By week's end, as soldiers cleared the area alongside a riverbank, researchers had retrieved many body parts from actual bodies. "Crossing the water at night," says Gordon, "is crossing into unknown." And John Best, Nova Scotia's chief medical examiner, is not willing to be a forerunner. "It's not safe," he added. "It's difficult to prove to be a lifeguard procedure." And says that cell phone, or satellite phone. The work will be done in a makeshift garage at Bishop's University, a magnet building on CFB Gagetown, just outside the border from Fredericton. Unless all the file relatives of the victims will not be asked to endure the process of visually identifying family members. Instead, they are being encouraged to simply provide dental and medical records. Forensic teams—including doctors, dentists and radiographic technicians—will use those records, X-rays and personal effects to try to identify the victims. DNA analysis will also be an important part of the investigation; parents or siblings of victims are being asked to provide a genetic sample, which can then be matched to any unidentified remains.

Clothes, the investigators caution, could be almost anywhere. The Transportation Safety Board has asked for toxicology tests on the victims. Les Macay, the officer in charge of the RCMP's forensic lab in Halifax, says cyanide and carbon monoxide in human tissue could, for example, indicate a fire aboard. "It's just to try to add another piece to the puzzle," says Macay. Sometimes, in science, small steps are the only hope of solving the biggest mysteries. □

Bred in the bone

Cynthia Denslow is managing editor of *The Westhead News*, a monthly community newspaper based in St. Margarets Bay, N.S., published by her husband, Jim, in Hubbards, N.S., 49 km from Peggy's Cove. From the time of the crash of *Santana Night II*, air-purified residents of St. Margarets Bay are responding to the tragedy.

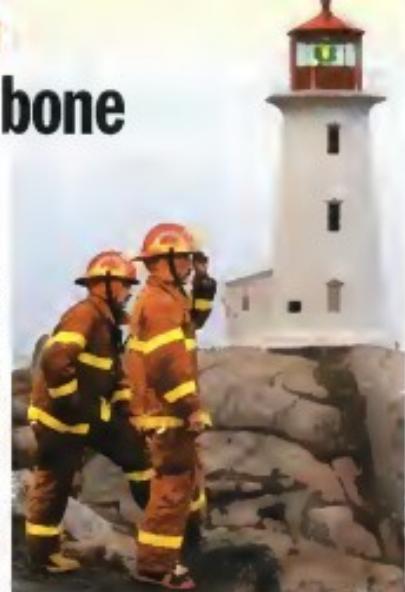
In, to some extent, breed in the bone. When the jet plane crashed into the waters of Nova Scotia's St. Margarets Bay, people in local communities reacted as they have for centuries. Minutes after the shattering moment, shock waves around the bay just west of Halifax, Nova Scotia, sent out at their boats, searching for survivors—or yet another disaster, if any. (See above.) The minute fire departments, dozens of ambulances and a steady stream of individuals headed for Northwest Cove on the Argentia Peninsula separating St. Margarets Bay from Mahone Bay to the west—uniquely thought to be the closest community to where the plane had gone down. Alerted by radio bulletins or friends and neighbors with scanners, many arrived simply to do what they could, while others—doctors, nurses, first aid technicians—had come to offer specific skills.

One was Sandra Peacock, a physician from Chester, almost 20km from the accident site, who had been about to go to bed when she heard the sound of the crash and let her whole house shudder. A call to a nearby hospital sent her and her partner, Dr. Stephen Shovlin, to the government wharf at Northwest Cove. "When we got there, a boat was waiting with passengers," said Peacock, a former resident of Calgary. "We left about midnight and our role was to look for survivors and help them. When it was apparent, about 4 a.m., that there were no survivors, we returned to shore. We were sorry we had anybody to help—but it struck us that nobody wanted to help."

Among the first fisherman on the scene was Gord Zwick of New Harbour, who had been staying on his dock talking to a friend, Vincent Boucher, of nearby Mill Cove. When the jet passed so low over his house that smoke was left wondering in the words of his wife, Yvonne, "if the chimney was still on the road." Seconds later he heard the crash and knew by the sound what direction the plane was flying in and that it must have gone into the water. He immediately put on his foul-weather gear and joined by dozens of other folks.

As word of the accident spread more widely, efforts of flood, accommodation and transportation for victims' families and other visitors passed to from organizations and individuals throughout the area. In communities where many of the same people belong to Royal Canadian Legion, fire departments and service clubs, it was almost impossible to find an organization that had not offered its aid or drawn up a plan for assistance. So many people wanted to help, but did not know where to turn, that the province quickly established a central telephone line and set up a coordinator to process the calls.

Darren Power of the St. Margarets Bay Legion Seabright, near Peggy's Cove, pledged the services of Legion members for cooking and cleaning and even the Legion hall for lodging. Ann Zwicker, whose husband, Pat, is the Seabright Volunteer Fire Department's chief, sent 20 kgs of sandwiches and coffee on the morning after the crash in the command center at Peggy's Cove. "People had been calling all day for help," said Zwicker. "You know, it's a community with a great heart."



EMERGENCY WORKERS ON DUTY IN PEGGY'S COVE: "We don't have much time but we want to share what we have—it's a Nova Scotia thing."

Nova Scotians react to the tragedy with an outpouring of aid

After the province announced that accommodation for investigators, victims' families and media was the most pressing need—it is still found in the area, with most rooms booked into mid-September—offerings housing and beds multiplied. Among those wanting to pitch in was Irene Hardie, a mother of four in Tantallon, 22 km inland from Peggy's Cove. "I know what I would feel like if it was my family," said Hardie. "I couldn't imagine a family going to an empty hotel room. They need somewhere to be there to listen, extend love, sympathy, compassion, or help with children."

Area residents, though, have also been in need of comfort. Local church leaders from the area have spent hours in Peggy's Cove and other communities comforting relatives and emergency workers dismayed by the tragedy. But in spite of the shock, the impulse to help has been overwhelming. Onefisherman and the spirit at which his colleagues rallied without being told or asked is part of their heritage. "We live by the sea, we die by the sea, and we work with the sea," Oliver residents explained their generosity in much the same way. As one woman put it, "We don't have much but we want to share what we have—it's a Nova Scotian thing."

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Martin vs. Trudeau:
I don't know if I ever
want to travel again

The travel scramble

A fight over salaries grounds Air Canada

BY JENNIFER HUNTER

In front of an Air Canada office at the Vancouver International Airport last Tuesday, a dozen or so travellers gathered to get news of a possible plane strike. A television, hanging from the ceiling, showed a close-up of Capt. Yves-Marc Bélanger, head of the Air Canada Pilots Association. The soft-spoken pilot, 60, told the tale just moments before, at 11:58 p.m. Tuesdays time, takeoff between the cities and its 2,130 planes had broken down. All Air Canada planes were grounded, including flights 156 and 302, scheduled to leave Vancouver for Toronto later that evening. Two hundred Vancouver passengers, including Jennifer Fink, were told they could try other airlines or stay overnight at a nearby hotel. "I work for a chiropractor in Etobicoke, just north of Toronto," Fink said. "We're expecting 50 patients tomorrow morning. There's no way my boss can handle 60 patients on his own." Alison Warner, a graduate student at the University of British Columbia, was on her way to Harvard University in Cambridge, Mass., to deliver a political science paper. "I was already stressed out about this trip," Warner sighed. "This doesn't help."

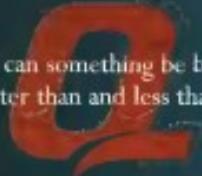
In airports around the world and across Canada, thousands of other Air Canada customers—the company moves approximately 60,000 people a day—were facing similar frustration or outright anger about being stranded in their home or flying out on vacation. In Edmonton, Captain Brendon Gauthier was up trying to fix

home to Swift Site Mine, Ont., and headed to the bus depot. "I tried to get a seat with Canadian Airlines," said Brendon. "They told me to sit down and hope someone gets off sick. Good luck!" The connecting flight home would have taken six hours; Brendon figured by bus it would be about 40 hours.

At Toronto's Pearson International Airport, weary Captain Martin, 57, a retired hotel receptionist from Quebec City, was en route to the Rocky Mountains when the strike forced him to take a circuitous route via air Ontario from Montreal to the Toronto Island airport. There, she hopped a bus to Pearson for Canadian Airlines' passage to Calgary. Martin started her day at 5:30 a.m. and her nose was stuffed with finger. "After that, I don't know if I ever want to travel again."

The pilots strike—the first major slowdown in the company's 61-year history—comes at a difficult time. For passengers, the strike coincided with the end of summer vacation and the Labor Day long weekend, which, next to Christmas, is the industry's busiest time of year. But for Air Canada, the Whistler '02 economic downturn and the weak loonie, in tandem with the strike, will ensure a reversal in its previously healthy financial fortunes. Analysts such as Jacques Kavadas of Toronto-based HSBC Securities say Air Canada losses \$5 million in pretax profits every time the losses total by a cent and each day of the strike will set it lose another \$2 million. Air Canada, which has 46 per cent of transborder traffic and 82 per cent of domestic business, will post significantly lower profits for the third quarter, Kavadas expects. "The pilots strike simply won't qualify," he says.

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Layoffs begin as Air Canada holds the line, contending it can't afford what pilots want

Bottom: Air Canada jets parked at Toronto's Pearson Airport (top); an effort to meet parity with American pilots

"Air Canada can't afford to pay them more than they've been offered," Kovilakam said. Airfares have gone up 30 per cent cheaper than in the United States as well, the carrier's slide against the U.S. dollar has raised fuel costs—one of the airline's biggest expenses.

Still, the pilots point to the company's hefty record profit of \$427 million in 1997—a remarkable turnaround for a company bleeding red ink in the early 1990s—and say they want to sit down to achieve parity with pilots at other airlines around the world. The pilots who earn an average of \$100,000 a year, first asked for a raise of 30 per cent over two years, then lowered that demand to 22 per cent. The company offered nine per cent. "We agreed to take a pay cut of five per cent in 1995 to help the company grow," said Capt. John Sturdy, a Vancouver-based pilot who has flown with Air Canada for 30 years. "We gave significant concessions so the company could avoid laying off people. Now the company is profitable, we want to share a few profits." David Goffin, a specialist in aviation economics who teaches at Wilfrid Laurier University in Waterloo, Ont., dismisses the pilots' claims. "The only real difference is that pilots make more. American Airlines and United Airlines, for example, are flying in or travel to different hours than the one in which Air Canada competes."

Air Canada says its pilots are the highest paid in Canada, earning roughly 14 per cent more than their peers at Canadian Airlines.

Although the pilots said their salary demands would cost the company only an extra \$50 million a year, Air Canada spokeswoman Debbie Denyer argues that the company has to consider its total wage bill of \$1.2 billion a year, as well as the effect of a settlement on an otherwise major expense. The Canadian Union of Public Employees, representing 5,000 Air Canada flight attendants, is on the verge of ratifying a contract, which expires on Oct. 31. "If we give the pilots an extra three per cent, we'd have to do it for all our labor groups," Denyer says. "All the employees worked hard and contributed to our profit. That extra three per cent would mean a total of \$20 million a year and we simply can't afford that."

Late last week, hoping to cut costs during the strike, Air Canada

began to lay off 11,000 employees who work in aircraft operations. Because of the shutdown, Standard and Poor's Corp. has put Air Canada on credit watch hot. Air Canada's refusal to meet the pilots' demands has fuelled with investors. On the Toronto Stock Exchange, Air Canada shares were up 35 cents to close at \$7.65 on the first day of the strike. And the tough tactics were not lost on the airline's other unions. "We were surprised to see the company take such a hard position," explains Sylvie Lachance-Harrouin of CLPE.

Meanwhile, all last week travellers were scrambling to find alter-

nate ways to get where they were going. Even Air Canada pilots had to work new routes home—420 were stranded. Companies that rely on Air Canada for business had to find alternatives too. In

Toronto's St. Lawrence Market, George Rayman, manager of Mike's Fish Market, said his customers usually have to do without scallops or scallop shells for a while, since he had a hard time getting them flown in from Boston.

Canadian Airlines, and other transportation companies, benefited from the strike. A US analyst, who asked not to be named, said Canadian, which has lurched in and out of financial difficulties over the past decade, could earn \$8 million to \$8 million a day in extra revenues. "That would be a godsend to them," he added. Air B.C., a subsidiary of Air Canada whose planes are not involved in the strike, extended its routes to Threader Bay, Ont., and loaded up other routes. Via Rail, which normally carries 14,000 passengers daily, had a 20-per-cent increase in traffic along the Windsor-Quebec City corridor. In Halifax, Bob Steepe, vice-president of Maritime Motor Travel, says he had a simple reason for strike-bound clients. "It's a great chance to rediscover that train." Car rental companies were busy too. "There's a \$900 charge if you drop a car off in Toronto," said Carol Krueger, at the Edmonton International Airport branch of Budget Car & Truck Rentals. Last Wednesday, she said, "I had three short calls from customers wanting to do that."

Finally, Warner, the USC graduate student, was able to resolve it to Harvard last Friday to deliver her paper after getting on a Canadian Airlines flight to Toronto. Before she boarded the plane, her parents, Bob and Sue Labenske, plied her with red wine to calm her down, and Jennifer Pick made it back to Erin, Ont., to help her changeout for bus. She was a day late but glad—after all the hassles getting home, she wanted to be grounded.

With ANTHONY MARSHALL/SAKURA

DAMIS SAWYER/SAKURA in Edmonton and RICHARD DODD/SAKURA in Halifax

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BANFF OF THE OCEANS

Federal Fisheries Minister David Anderson announced that two B.C. areas—Pac Rim near Victoria and Galiano Passage near Nanaimo—will be the first in a network of marine protected areas covering Canada's three oceans. "We're doing something now, which in my view, many years hence, will be a lot like what we did in 1985 when we created the first national park in Canada in Baffin," Anderson said.

REGAN LOSES A BATTLE

Former Nova Scotia premier Gerald Regan, facing nine sex-related charges dating back to the 1980s and 1990s, failed in his attempt to see the confidential records of women who have accused him. Regan's lawyer had argued that Bill C-46, which requires the defense to prove such records are relevant to its case, was unconstitutional because it violates Regan's right to a trial. The judge upheld the law.

BUSINESS NOT AS USUAL

NDP Leader Alexa McDonough announced that her party will pursue closer ties with owners of small and mid-sized businesses. Buzz Marples of the Canadian Auto Mechanics and Bob White of the Canadian Labour Congress demanded the dissolution by the traditionally pro-labour party. NDP MP Svend Robinson was also critical, describing the move as "a struggle for the heart and soul of the party."

JUSTICE IN THE MILITARY

Defence Minister Art Eggleton announced that former Supreme Court of Canada chief justice Bora Laskin will review the military's progress in reforming its internal justice system. In 1997, Laskin headed a civilian panel that provided former defence minister Doug Young with 35 recommendations for fixing the system. His duties will include looking into the military's new methods for keeping army brass from needing investigations.

SALMON SPAT

Ottawa announced that it will not participate in British Columbia's inquiry into the federal government's management of dredging West Coast salmon stocks. Fisheries Minister David Anderson said that B.C. Premier Glen Clark is playing politics and has already made up his mind to accuse Ottawa of "incompetence and lies."

Angering Quebec's ethnic voters

Quebec deputy premier Bernard Landry launched off a storm of controversy by suggesting that anything more than a 50-per-cent yes to one referendum for a referendum could effectively give the province's ethnic voters a no to "ever our national project."

Speaking on Montreal radio station CKNC, Landry added: "Everyone knows very well that I've put the bar too high. It would be like 'I'm giving a seto to our compatriotes from the cultural communities. That can't be done.' In the 1995 referendum, 60 per cent of the province's francophones voted Yes. But fully 90 per cent of anglophones and ethnic minorities—who make up 15 per cent of the province's population—voted No, giving [Landry] a 50-per-cent win."

Several ethnic groups immediately expressed their outrage. "It's remarkable to see an enormous disconnect for the democratic processes that they clearly represent," said French-Canadian MP Dorothy Zaleznik, president of the Quebec branch of the Canadian Jewish Congress. The

Supreme Court agreed that the next question should be done. Fearing who else would民意 when he voted the 1995 referendum loss on "sovereignty and the right to self-determination," suggested the wording: "Do you want Quebec to become a sovereign state independent country?"

Consent and the court

POLITICS

Charging an MP

The Supreme Court of Canada ruled that people can be held criminally responsible if they have participated in and do not tell their partners they have AIDS or other dangerous sexually transmissible diseases. In a 5-to-2 decision, the court denied a new trial for Sparhawk, B.C., resident Peter Cory, who has been accused of the AIDS virus, but did not decline that two women with whom he regularly had unprotected sex (the women did not contract the virus). The ruling overturned two lower-court decisions that denied Cory of aggravated assault because the women had consented to sex. But in the Supreme Court's decision, Justice Peter Cory wrote that "without due diligence of HIV status there cannot be true consent."

The seven justices who heard the case, however, were divided over how broadly their ruling should be applied. Justice Claire D'Entremont, while writing that consent to sex is granted based on a free and informed choice, said it was through fraud, resulting in assault. Other justices were not so sweeping in their decision. Justice Cory, writing on behalf of four judges, argued that D'Entremont's logic suggests that a person could be accused of a crime if they obtained sexual consent by lying about their salary, or even their sexual prowess. Cory said an assault would be better defined as an obtain sex committed with a "serious risk of bodily harm."

The Hanson factor

If any misogynist should find part of Australian society Tan Le should. The 21-year-old student, a former Vietnamese refugee, was named a Young Australian of the Year last January for her work in the Vietnamese community. She was only 4 when she arrived with her family from a refugee camp in Malaysia, where they had been taken after being rescued from their fishing boat in 1982. "Australia was always our number 1 destination because my mom's father, before he died, said you need to flee Vietnam and go to Australia," says Le. "It's a good country and you will have a future there." But now, even Le admits to wondering whether she is still welcome in Australia. "I guess that's the hardest part of the back of my mind," she says quietly.

Le is by no means the only Australian of Asian origin who has started to feel uncomfortable. "Many are re-pairing such things," says Randolph Alton, spokesman for the Ethnic Communities Council of Australia. About one-quarter of Australia's 18.5 million people were born overseas, and more than one in four are from Asia. There are, says Alton, 200 ethnic groups in Australia, says Alton, can be traced to the 1880 mass march in parliament of Pauline Hanson, a broad-based former fish-and-chip shop owner of Irish-English descent from the north-east coast of Queensland.

"Because we are in danger of being swamped by Asians," declared Hanson, proposing a medical review of immigration and an end to the policy of multiculturalism. The independent MP also challenged the need for special government programs for Aboriginal Australians, or that they were not suffering any relative disadvantage. Now, in the wake of an election last week, Prime Minister John Howard, a new Australian like Tan Le—as well as the others, the Aboriginal—face that issue of race still afflicts the result.

Hanson's solutions for a vast range of problems are delivered in a garbling, nasal voice often crackling and incomplete sentences, and most are dismissed as simplistic and unconvincing by her critics. But the 44-year-old firebrand's style and policies have obviously endeared her to many Australians—especially in rural areas. In its first electoral test in Queensland in June, Hanson's One Nation party polled at a stunning 23 per cent of the vote, winning 11 seats in the state parliament. It was enough to unseat a conservative coalition of the National and Liberal Parties, allowing the main opposition Labor Party to form a minority government. However, who leads a Liberal-National coalition federally, will be fighting to ensure his government avoids the same fate in the national election he has called for Oct. 3.

Indigenous people have been Hanson's most consistent target. Her colonies of welfare payments to Aboriginals caused her to be dropped as a acceptable candidate for John Howard's Liberal Party just before the last election in 2001. (Before that, the twice-divorced ex-barmaid had been a member of the local council at her home town of Ipswich, near Brisbane.) She has since been prominent in a



Howard addresses the vote; Hanson (right) consistently targeting indigenous people

A fiery MP with a racial message is the wild card in Australia's election

privileged and exclusive debate over Indigenous land rights.

Gordon's job shows Hanson has won additional support by taking positions on hot-button issues that fall under the jurisdiction of Australia's states—even though as a federal MP she cannot implement them. Examples include introduction of the death penalty, abolition of parole, mandatory life sentences, and a daylight curfew for those under 16. At the federal level, Hanson wants a ban on marijuana, abolition of special programs for Aboriginals, and restriction foreign ownership and a return to trade protectionism.

One Nation says it has more than 200 branches across Australia, with 25,000 members. "Pauline's One Nation is going to say what everyone else is thinking," says Ken Turner who gave up his job as a professional Santa Claus to run successfully as one of the party's state MPs in Queensland. Despite constant accusations, Hanson and her party officials deny they are racist. "We just believe all Aborigines should be treated equally," says Turner. "That is not racism." Critics are unconvinced, and some former One Nation party members have complained of infiltration by extreme right-wing elements.

Hanson has opted to go to the polls eight months early, saying the area in issue is sound economic management at a time of international financial turmoil. It is also working a mandate for major reforms of Australia's taxation system. The centerpiece is similar to Canada's new goods and services tax, aimed at 18 per cent. As a trade-off, he is offering big cuts in personal income tax, but there are few political risks.

In 1998, then-Liberal opposition leader John Howard lost what had initially been considered to be an unlosable election by advocating a GST. Paul Keating's Labor government successfully campaigned



against the proposal, in the process aligning Canada's GST controversy. After Keating served a further term, Howard was elected with a large majority in 1996, promising a GST would "never ever" be part of his agenda. Labor opposition leader Kim Beazley has roundly blamed Howard's tax package and is offering more roadblocks to cuts—without a GST. Even the government's own top official, acting Canadian as an example, says a GST "will not stop people cheating by paying for goods and services in cash," as Howard claims.

Currently, Howard's Liberal-National coalition holds 90 seats in the 188-seat House of Representatives. Labor has 49 and Independents and minor parties hold the remaining nine. A Labor victory would require a nation-wide swing in the party of almost four per cent, but polls are inconclusive on who is ahead so far.

Hanson's One Nation remains the big unknown factor. The party's support is apparently lower nationally than in Queensland, but how much lower is a much-disputed question. "I wouldn't be surprised if there are close One Nation supporters who are not willing to reveal themselves to public opinion pollsters," says political scientist John Wierwille of Australian National University in Canberra. Howard would likely be forced to ask One Nation to help form a government if his coalition fails to win an outright majority. The prime minister, however, has reversed himself before—and he has been notably reluctant to criticize Hanson's position. Tan Le's future seems to be great.

LINDSAY ARKLEY in Melbourne

The Canadian 'plot'

Canadian academic Peter Jull knows what it's like to be on the receiving end of a Pauline Hanson broadside. In an Australian parliamentary debate over native land rights, the very independent MP named Al in the "attack" of Hanson, the now-Indigenous Member did not live up to his name, she alleged. Jull was plotting with indigenous groups to carve out a separate place in Australia. "There is no doubt the long-term goal of the aboriginal industry is to create a separate indigenous nation within Australia—a separate country," says the alleged party's non-aboriginal Australian MP.

"Total rubbish," retorts Jull, who was an advocate on native affairs to prime ministers Pierre Trudeau and Joe Clark in the Privy Council Office between 1968 and 1980 and is now an associate professor of government at the University of Queensland in Brisbane. Jull, who has lived in Australia since 1987, is proud he has been involved in negotiations leading to Mabo but regards Hanson's description of him as the architect. "The only person who could claim such a title, he says, is that leader John Howard. And he is appalled by Hanson's claim of an international conspiracy.

"It seems to me that what she [and some of her associates] do is take stuff that is openly available in political information sources, then whisper it to people who aren't familiar with it in provincial areas, and say that is all a hush-hush thing being done to us," he says. "Of course it's nonsense. The process which will result in native title has been open and democratic, and has been going for years."

Still, Jull thinks Australia could learn from Canada's experience in dealing with the land claims issue. In Australia, making a claim is not easy; an aboriginal group must prove a continuous historical attachment to a particular piece of land before a claim can be processed. "The situation for many indigenous people in Australia is more like the Métis in Canada," says Jull. "They do not have a land base they can call their own. Every Indigenous band has some land, even if it's extremely land that no-one else wants."

Aboriginal rights were further limited after Hanson's hard-hitting banned tactics in the debate over the Native Title Act. Farmers and miners feared that a court decision on land claims would allow Aboriginals to tie up commercial use of vast tracts of leased government land, but the law to ensure the leases could operate fairly freely. Nonetheless, Jull sees things moving in the right direction. "In recent years, there has been an acknowledgment in Australia, like in Canada, that what has happened to indigenous people isn't just or fair," he says, "and that they have special rights within the national community." To Pauline Hanson, those are fighting words.

L.A. in Melbourne



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ULSTER OPTIMISM

Northern Ireland's peace hopes rose after a morale-building visit by U.S. President Bill Clinton and dramatic moves by republican forces to renounce violence and guns. Shortly before Clinton arrived, Gerry Adams, leader of the Irish Republican Army, declared that violence must be "for all of us now a thing of the past." His appointed colleague Martin McGuinness used a lesson between the IRA and retired Canadian Gen. John de Chastelain, who is in charge of weapons demobilizing. De Chastelain said the peace process was now "falling into place."

CLINTON 'SORRY'

President Clinton issued his first direct apology for his affair with Monica Lewinsky after a key Democratic senator harshly rebuked him from the floor of the chamber. Connecticut's Joseph Lieberman called the President an "elder儿immoral" and said he should take full responsibility. Clinton, who previously expressed "regret," told reporters while visiting Dublin that he had made "a bad mistake, it was irresponsible and I'm sorry about it."

LIFE FOR GENOCIDE

In one of two landmark decisions, a UN war crimes tribunal sentenced Rwanda's former prime minister to life in prison. Jean Kambanda, 45, had pled guilty to all counts of genocide and crimes against humanity involving the 1994 tribal massacres of up to 800,000 people, but argued for a light sentence. The judge, Justice Richard Nias, gave him the maximum—the life sentence for genocide by an international court—two days after the tribunal in Arusha, Tanzania, pronounced its first guilty verdict on village Mayor Jean-Paul Mugesera. His case was the first in which rape was cited as a war crime.

CHILD-MURDER TRAGEDY

Six children, ages 6 to 11, were found murdered after their 34-year-old mother told a 911 operator she had killed them. Neighbors in St. Paul, Minn., said Hmong immigrant Rhonh Her was depressed about her marriage, arranged in Laos when she was a teenager, and her responsibilities since her husband moved out. The bodies of her three sons and three daughters were found strangled inside her apartment.

PHOTO BY AP/WIDEWORLD

DOWN TO EARTH: A group of Finnish children found a very large plastic bag to play with after a Canadian weather balloon, with 9,000 feet of string, disrupting air traffic and defying attempts by Canadian fighter jets to shoot it down. The 25-story helium-filled balloon was launched near Saskatoon on Aug. 24 to measure ozone levels over Canada. But after its package of scientific instruments failed to detach, it kept on floating. It began losing altitude after Canadian jets fired 1,000 canister rounds at it over Labrador, but it only came to earth six days later on Finland's Åland Islands.

Fighting Internet pedophiles

The images according to the British police officer who led the investigation "would turn the stomach of any right-minded person." On Sept. 2, police in Britain, the United States and 10 other countries arrested more than 50 people suspected of being part of a worldwide Internet child pornography ring. The five-week investigation led to the seizure of computers, CD ROMs, video cameras and databases of pornographic material, including one containing 180,000 photos of naked boys and girls, some as young as 2.

The ring first came to police attention in Sussex in southeastern England. Investigators there discovered pedophiles belonging to a cy-

berspace organization called the Wonderland Club developing child pornography from the Internet. The highly secretive members used scrambled transmissions to exchange images, sometimes including live video of sex acts with children. Authorities used sophisticated electronic sleuthing to track down users' identities. Last week's raids included houses in Australia, Austria, Belgium, Finland, France, Germany, Italy, Norway, Portugal and Sweden as well as Britain and the United States. "I am unaware of another police operation that has ever paled together as this one," said Bob Fackham, deputy director general of Britain's National Crime Squad.

North Korea fires a missile over Japan

A missile rose in East Asia after North Korea's Stalinist-style government test-fired what was believed to be a ballistic missile over Japan. The three-stage warhead with a range of 2,000 km flew over Japan's main island of Honshu before plunging into the Pacific Ocean. North Korea officials later claimed they had launched a medium-range rocket that like a satellite into orbit although rocket technology can in any case be adapted for missiles. Japan canceled flights to North Korea and threatened to break off diplomatic links and withhold aid. The normally peaceful country also pointedly said it would have the right to strike back if attacked.





Running for cover

BY ROSS LAYER

Graded, money isn't what it used to be, but in anybody's books \$2 billion is still a hefty chunk of change. Give or take a few hundred million, that's how much has disappeared from the Ontario Teachers' Pension Plan—the country's largest pension fund—since Canada's stock markets began a steep downward lull last April. But if Claude Lamouroux, the plan's chief executive officer, is worried about the precipitous drop in share prices, he isn't showing it. "We've just had three inflation-free years of gains and everybody knew that it couldn't go on forever," says Lamouroux, whose fund, now worth \$65 billion, accounts for an estimated two per cent of all the shares on the Toronto Stock Exchange. "Our response is the same now as it is in periods of market corrections: we don't react to the headlines."

A good thing, too, considering the hyperbolic tone of some of the recent stock market coverage. When the Dow Jones industrial average declined 612 points last Monday on the heels of an earlier 357-point decline, some observers worried the world was on the brink of another economic free fall to rival the Great Depression. A day later the New York market bounces back 288 points in the second trading session in its history, bringing relief to some investors but leaving

many others deeply confused. Was it time to buy back in, scoop up a bargain when some losses are bargain prices—or was this just the calm before another devastating financial fire storm?

The truth, of course, is that no one knows, but no investor should feel worthless after his/her seven-figure salary would dare acknowledging that. That's why some experts—nimbly Abby Joseph Cohen of Goldman Sachs in New York City, this decade's most outspoken bull—are forecasting a small return in near record stock valuations (\$380 is Cohen's year-end target for the Dow, compared with last week's close of 7,649), while others are urging investors to sell everything and run for the hills. That such paroxysms of doom are Robert K. Prechter Jr., chief propagator of the so-called Elliott Wave theory, who argues that the Dow will fall below 2,000 by the year 2004. "Markets move in predictable waves of mass psychology," Prechter writes. "North American investors, choosing just experienced the greatest bull market ever, should now get ready for the worst bear market in history, he says.

That stocks have entered a bear market is, in fact, one of the few things most analysts could agree on last week. But that in itself says nothing about the market's future direction—and little about the outlook for the economy as a whole, quips TD. A bear market, commonly defined as a period in which stocks drop 20 per cent,

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TD Bank's Michael Jenck, Steve Dugay and Matthew Sieger at market turnaround to Toronto market volatility

20 percent, can be as brief as a five months, as in 1990, or it can stretch out over several years, as happened from 2003 to 1975. The Toronto Stock Exchange 300 composite index closed last week at 5,255, down 27 per cent from its record high in April, clearly putting it in the bear's embrace. The U.S. picture is brighter, but not much. At its lowest point last week, the blue-chip Dow was down only 21 per cent from its July peak but the average New York Stock Exchange stock was still 20 per cent off its recent high.

So what, fundamentally speaking, has changed? In the North American context, relatively little: consumer spending is soft, business corporate profits are down slightly from last year's levels but still strong, inflation is dormant and interest rates are low. The recent change in investor psychology was driven almost entirely by events overseas. Ever since the Asian financial crisis last year, analysts have been watching to see if Japan's government has could muster the political will to devise a stimulus plan. But instead of getting better, Asia's economies have deteriorated, spawning a currency meltdown in Russia that sent shivers through Latin America and other emerging markets (page 24). Russia's collapse was a reminder of how, in the era of globalization, no country is entirely immune to economic viruses that strike other countries. Says Richard Delberg, head of U.S. equities at Salomon Brothers Asset Management Inc. in New York: "The world is safe, but only once."

For short-term investors, it probably never was. Stock markets have a history of confounding the experts, which is why even a gambler would bet everything on a sustained run-up in share prices, regardless of how positive economic news may seem. The prudent course of action, as financial planners often like to point out, is to spread one's savings over a range of investment options, including cash, stocks and fixed income securities such as government bonds.

A Toronto-based financial consultant who advises wealthy investors says most of his clients lost between eight and 10 per cent of their assets during the stock market run in August—mostly a result of caffeine, but far by far more than the 30 per cent drop in the TSE 300 in the same period. There's no real rhyme behind that ratio: it's about average performance, merely a determination to stick with a balanced portfolio while many less experienced investors were getting eaten up in full market虎. "My guess is that most of the people who lost heavily were speculators who only got into the market a year or so ago," says the consultant. "Anytime you're broad-spread for a few years should have resulted in a decline of 20 per cent or more."

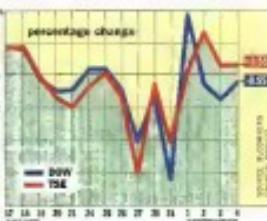
Most large institutional investors take a similar approach, balancing equity positions with bonds and other instruments that tend to do well when stocks slump. One thing they do try to do is "hedge" the market by purchasing when stocks will rise or fall, since experience shows no one can do that successfully over the long term. "We have a core strategy and part of that is to hedge or fixed income," says Tom Gantz, senior vice-president, investments, for the Ontario Municipal Employees Retirement Fund, the country's second-largest pension plan with \$30 billion in assets. At OMERS that means keeping about 60 per cent of the fund in stocks, regardless of market swings; the Ontario Teachers' Pension Plan prefers 70 per cent in equities. To keep pace with benchmark rates, the funds tend to sell shares when prices are high and buy when valuations drop. "At times like that when there is a big sell-off," says Lamouroux, "we definitely view that as an opportunity to buy."

So much for the big money. The question almost everybody in the investment industry was trying to answer last week was how small investors—particularly those who have participated in the mutual fund bandwagon in recent years—are reacting to the downturn. Although 40 per cent of Canadian adults have money invested in funds, and half of those have been in the market less than five years—meaning they have never before experienced a severe correction, the fear was that those people would eat and run at the first signs of trouble, but that doesn't seem to have happened. The flow of new money into funds fell sharply last month and came close to drying up completely last week, but relatively few investors appear to be pulling money out.

At TD Asset Management Inc. in Toronto, president Mark McBeth

MOVING MARKETS

Recent Canadian and U.S. stock market changes, measured by the TSE 300 composite index, and New York's Dow Jones Industrial average.



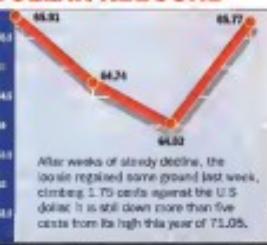
TRACKING THE TSE

Canada's 10 largest mutual funds, measured by assets, had a bad month in August as Canadian stock markets fell. But several of the funds outperformed the Toronto Stock Exchange 300 composite index when compared with July returns.

AUGUST PERFORMANCE

	%
BETTER	-20.1%
Inv Canadian	-30.9%
Trimark Select Canadian Growth	-33.2%
Royal Canadian Equity	-37.0%
Trimark RP Equity	-35.4%
Investors Retirement Income Port	-38.4%
AGC Diversified Income	-38.8%
WORSE	
AGC Advantage II	-22.3%
Investors Canadian Equity	-20.6%
AGC Advantage	-21.5%
Investors Retirement Mutual Fund	-20.3%

DOLLAR REBOUND



After weeks of steady decline, the loonie regained some ground last week, climbing .75 cents against the U.S. dollar. It is still down more than five cents from its high this year of 71.05.

SPECIAL REPORT

reports about \$30 million in redemptions last month out of a total asset base of \$80 billion. "That's a travesty," McElroy says. Just to be on the safe side, however, the firm sent out 10,000 e-mail messages to clients advising them how to weather turbulent times. After Monday's sudden drop, McElroy declared "survival law" and brought in extra staff to man the phones just as well. The number of calls on Tuesday was double the normal volume for that time of year. Along with the usual questions, callers recently have had two new ones: "What does Russia mean to us?" and "What does the falling Canadian dollar mean to us?" After hitting a record low of 85.38 cents in the U.S. dollar on Aug. 27, the loonie rebounded sharply last week to close its late-trading Friday at 86.77 cents. Analysts said the increase was mainly reflected a weakening of the U.S. currency due to concerns about slower growth and a wider U.S. trade deficit.

In search of dampening mutual fund holdings, many investors are shifting assets out of stock funds and into less risky money market and bond funds. "The market has been very good for a long time, and eventually, people are prepared for a downturn," says Fred Pyne, Canadian equity fund manager for Investors & Associates Investment Management Ltd. in Calgary. "It's not over and it's not pretty, but people are holding steady." He cautions, however, that the situation could change in a few weeks when people re-examine their monthly statements and see just how much they have lost.

As it turns out, most large equity mutual funds have recovered performed well in comparison with the market as a whole. Of the 10 biggest Canadian equity funds in Canada, six have beat the TSE 300 in August—which really shouldn't come as a surprise because the cash component in most stock funds tends to reduce earnings in bear markets and reduce losses when times get tough. The two laggard funds among the big 10 were ABC Advantage and AIC Advantage II. Both were previously similar performers, but because they are diversified heavily toward the financial services sector, they are more volatile than most other equity funds.

More small investors have also been hit by the swings in share prices. "We keep expecting a correction for some time, but unfortunately I got caught in the downturn," says Steven Cheng of Peterborough, Ont. Cheng, a chartered accountant, put his career on hold last year to buy and sell shares full-time over the E-Trade-Canada network. He

MARKET BOUNCES

Stock markets have always, regardless ground after a fall, although it can take a while. Following the 1929 crash, the Toronto Stock Exchange kept falling through 1932 and did not recover until 1951. Recovery was faster following the 1987 crash, but it still took until August 1989, to fully make up lost ground. The chart shows roughly averages of the TSE 300 composite index.



'If corporate earnings don't hold up,' says one analyst, 'you're going to see another downdraft.'



Milton and a Porsche at Downtown Fine Cars in Toronto, a popular car for brokers

BUSINESS SPECIAL REPORT

In the slipstream of the giant

BY JOHN GEDDES

A community in Canada seems more nobly exposed to Asia's economic woes than Kitimat, B.C. Perched at the end of the Douglas Channel on the province's northern coast, the town of 11,500 has prospered largely by shipping aluminum and wood pulp to the same-bearing economies of the Pacific Rim. But despite the Asian stupor, the town's backbone employee, Alcan Aluminum Ltd., is so far keeping up production and inking big orders. Its survival strategy looks worth. Eric Sykes, Nortel's director of operations for British Columbia, says the winter in Kitimat, which enjoys 1,700 workers, has been enabled to switch from mining cut-aluminum products that, until recently, faced a steady market in South Korea, to different alloys that remain in high demand along the west coast of the United States. "We're changing fast," Sykes told Maclean's. "Our makes you smile."

He is not the only one looking to the mighty U.S. economy for salvation during these frightening days in the global economy. With overseas trade links shattering both domestic and Canadian demand cooling, the United States is emerging as the key to Canada's upstream economy—although—as it has been so often in the past—the destruction of more than 80 per cent of Canada's exports, the U.S. economy in full flight can drag Canada down. Lately, Canada is losing heavily on its neighbor's economic malaise. Alberta, for example, has shifted 20 per cent of exports that were previously bound for Shenzhen for Asia in the United States. The fact that American demand is holding up so well is the main reason that economists—many of whom are now revising downward their forecasts for Canadian growth—are for the most part not yet whispering about a 1989 recession. "The only bright light that we've got left is the health of the U.S. economy," says Toronto Dominion Bank chief economist Rob Gehrke.

As recently as two months ago, many economists—Gehrke among them—were still forecasting that Canada's economic expansion would outpace U.S. growth next year. But that outlook has been reversed, largely because Canada continues to fall harder by slumping world commodity prices. Gehrke now estimates the Canadian domestic product will grow by 2.1 per cent in 1990, down from about 2.5 per cent this year, while Canada's GDP will expand by two per cent or less next year, down from 2.8 per cent in 1989. "It's going to be as across-the-board slowdown," he says.

Slower growth will be a discouraging prospect for those searching for jobs or looking for pay raises. Following a slow climb back from the recession of the early 1980s, the Canadian economy's job-generating capacity only stalled last year in the past two years, but after adding more than 370,000 jobs in 1987, and remaining on track to create more than 250,000 in 1988, last year's tally of new jobs is expected to be much lower, perhaps 230,000. That means the unemployment rate, which fell to 8.2 per cent in August from last year's average of 9.2 per cent, will probably show little if any improvement in 1990. Gehrke says. And with many people still looking for work, wage gains which are not likely to rise much, if at all. In other words, the best bet for next year is that the Canadian economy will stay in a holding pattern.

Globally, economic turmoil has highlighted the fact that Canada remains, in many respects, a poor economic cousin to the United States. The strong drop in commodity prices in Asian industry's demand for raw materials evaporated was a reminder how vulnerable Canada's resource sectors remain to boom and bust. But the differences go deeper. Canadian manufacturers are, on the whole, only about 80 per cent as productive as their U.S. counterparts, according to a study last year by CIBC Wood Gundy Securities Inc. chief economist Jeff Rubin. Since productivity is widely seen as key to a country's living standard, Finance Minister Paul Martin has made much of recent data showing that Canada's business productivity improved in 1987 at its fastest rate since 1984. Promising—but some analysts point to more troubling longer-term trends. Not only is U.S. productivity gains outstripped Canada's since the mid-1960s, says Rubin, but he study found that as many Canadian industries are falling further behind their U.S. rivals as there are sectors closing the gap.

Catching up to the United States might be the ultimate goal, but these days Canadians have little choice but to cheer the Americans on. "The U.S. economy still has momentum," Gehrke says. "Even though the stock market had a bad drop, most Americans are feeling pretty optimistic." With Canadians feeling almost stereotypically cautious, that equally characteristic American confidence may be looking more attractive than ever. □



Alcanite exits to Saginaw, Mich., looking to the mighty U.S. economy

WHERE CANADA SELLS



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Fears of a 'death spiral'

Japan holds the key to stopping a global slump

BY TOM FENNELL

As she powdered the sides in the discount 100-Yen Shop near Tokyo's Shinjuku railway station, Rieon Matsuda expected to pick out a few meager necessities. "Everyone I know is tightening their belts," said the 31-year-old office worker. "I haven't bought anything big in a long while." Just have together spread out in a big way again is troubling political leaders as far away as Washington and London. The world economy is being dragged ever closer to recession as the financial crisis that roared out of Asia last summer continues to batter country after country. The gloom will not lift, say analysts, until Japan's stalled economy comes to life and drags the rest of Asia out of the mire with it. But the country's plan to clean up its financial sector and kick start growth with tax cuts remains trapped in political gridlock. And Matsuda is not about to budge. "There is so much bad news," she said, "you have to be worried."

Across the world, in fact, there was plenty to worry about last week. As most markets in Asia continued to slide, rates broke out in new-hangover Indonesia, the Philippines forecast a recession, Malaysia brought its controversial currency controls and officials in Hong Kong defended what American free-market guru Milton Friedman called their "naive" decision to spend \$8 billion buying up battered securities on the local stock exchange. In Russia, the ruble continued its free fall, casting a cloud over European banks that have loaned the country more than \$43 billion. In Latin America, risk rating agencies downgraded the foreign debts of Venezuela, Brazil, Mexico and Argentina over concerns that the countries will have trouble paying it back. And at an emergency meeting in Washington with International Monetary Fund officials, Latin American finance ministers hinted that if the Asian-led spreads further into their slowing economies, they too may soon need a multi-billion-dollar bailout to stave off bankruptcy.

Canada and the United States have a lid riding on the health of the Latin American economies, which have sent their now amateur experts to Asia to assess the region's woes. Ten per cent of U.S. exports, while American bonds have outstanding loans there of nearly \$300 billion. When coupled with the drug from the Asian cases, says John Mendelsohn, Toronto-based chief economist for CIBC, a dramatic downturn in Latin America could still the U.S. economy. And since the bulk of Canadian exports find their way into the American market, a failed U.S. defense would hit Canada's economy hard. Last week, economists were rapidly revising their predictions for U.S. growth—and the direction was suddenly downward. "I am very concerned," said Ronald Wirsck, a professor of finance and economics at the University of Western Ontario. "There is a risk of a worldwide recession."

Unfortunately, the task of fighting a global slump

rests largely on the shoulders of Japan's buckling politicians. Without a recovery in the world's second-largest economy, says Mendelsohn, it is difficult to see how Asia can rebound and thereby trigger an increase in commodity prices. And until raw material prices rise, the economies of major importers like Russia and Argentina will continue to suffer. In San Francisco last week, U.S. Treasury Secretary Robert Rubin again praised Japanese Finance Minister Kiichi Miyazawa to jump-start his country's economy. "It is absolutely critical," said Rubin, "not only for Asia but also for the rest of the world."

Tokyo's challenge is massive. Along with persuading shell-shocked consumers like Matsuda to spend again, leaders must clean up the country's banking sector, which is suffering under as much as \$1 trillion in failed and problem loans. Earlier this



year, the government tried to stimulate spending with temporary tax cuts. But thrifty consumers simply banked the savings and the economy remained paralyzed. Further attempts to revive growth—including a reform package that includes permanent tax cuts—remain trapped in a stand-off between Prime Minister Keizo Obuchi's Liberal Democratic Party and opposition politicians. That is deeply troubling to foreign analysts. "Japan needs to move faster," says Leo Edwards, Canada's ambassador to Japan, "not only for its own economy but also for other countries' exports."

Just how Obuchi's government intends to save the banking sector was no clearer last week as a debate in parliament over the future of the Long Term Credit Bank, once one of Japan's largest, but now troubled with \$21 billion in bad loans. The government



SOURCE: JAPANESE FINANCIAL MARKETS

learn that if the bank fails, it could set off panic in international currency markets and drive the value of the yen even lower. As a result, the government wants to either pump billions of dollars of public money into the stricken institution or take it over outright, swallow its debt and sell it back to the market.

Opposition politicians—and many foreign analysts—with a socialist tilt lending approach will only delay an economic turnaround. Bankrupt banks, they argue, should be allowed to fail at the whim of market forces. "They have to purge the system," says John Akira, managing director of Morgan Stanley Asset and Investment Trust Company in Tokyo, "and weed out the good from the bad." U.S. President Bill Clinton and Chinese President Jiang Zemin have both asked Japan to step up its efforts to stimulate the economy with permanent tax cuts. But the onus is so deep that Kenneth Couris, chief economist at Tokyo-based Deutsche Bank Group Asia, believes only a massive 15-per-cent cut in personal income taxes will fire up the Japanese economy.

Tokyo's reluctance to take decisive action could unleash what some analysts darkly call the "death spiral" scenario, in which China is forced to devalue its currency. If the yen resumes its slide—nearly 10 percent it will hit 160 to the U.S. dollar by December, compared with 124 at the end of last week—Japanese exports will become cheaper as they compete against Chinese-made goods. To hold their position, goes the theory, the

Chinese will be forced to devalue, triggering the fatal spiral as other nations across Asia—and beyond—follow suit.

If China does devalue, the trigger may be the strong Hong Kong dollar. Since last December, officials in the former British colony have spent nearly \$15 billion in currency markets, as well as the \$8 billion, buying local stocks, in a bid to defeat speculators who believe the local dollar cannot maintain its 15-year-old peg of about 7.8 to the U.S. greenback. China's newly acquired territory, notwithstanding its financial efforts, still has almost \$320 billion in foreign currency. It can use it to fight for the dollar, but first it will be running out. "If the Hong Kong dollar goes," warns Mendelsohn, "it will drag China down with it." Then, worry the pessimists, the debt-laden economies in Latin America start to fall. "If Latin America goes," says David Wyss, an economist at Standard and Poor's Corp. in New York City, "it will be hard to keep us from getting pulled into the whirlpool."

Some governments have tried to swim against the global stream of free-flowing capital. Hong Kong's stock and currency peg was one attempt. Another was Malaysia's dramatic decision to erect a currency barrier around itself. Declaring that "the free market has failed drastically," Prime Minister Mahathir Mohamad said the local ringgit would no longer trade as world markets, and its value would be fixed. To ease any opposition to the decision, Mahathir fired his respected finance minister and his apparent successor, Naveen Razak. Top officials of the central bank had already resigned in protest. The result was a sudden bonanza in the local stock market as interest rates came down, but foreign analysts said that in the longer term Malaysia's move—like Hong Kong's—would simply scare off needed investors.

A more helpful step in the view of many analysts, would be for U.S. Federal Reserve chairman Alan Greenspan to lower U.S. short-term interest rates. That would address two key problems. The Chinese and Japanese desperately want him to cut rates to stop the flight from yen to dollar, thus, they believe, would push up the value of the Japanese currency and save the old dollar's soul. Reducing interest costs would also keep American companies laying off and allow the U.S. economy to soak up imports. Greenspan had long resisted a rate decrease. But last week, he signalled a possible change of mind, telling a seminar at the University of California at Berkeley that the international crisis means that rates could well go down. "It is just not credible that the United States can remain an oasis of prosperity unaffected by a world that is experiencing greatly increased stress," he said. As fears of a global recession intensify, Greenspan is under increasing pressure to become the world economy's savior.

By Peter McNeill in Tokyo

Business NOTES



Years ago, the only insurance a woman had was her husband.

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MANALTA ACCEPTS OFFER
Directors of Calgary-based Manalta Coal Ltd. accepted a \$554-million takeover bid by Lazarus Coal Income Fund of Edmonton. The merged company would be Canada's largest coal producer and the sixth-largest North American lifeline coal firm in world commodity markets finally persuaded the company to accept the offer.

NEW TALENT AT LIVENT

Troubled Livent Inc. of Toronto named Todd Haens, the creative head of New York City's acclaimed Roundabout Theatre Co., as its new artistic director. Livent officials were quick to note Haens' sound financial record at Roundabout. Livent co-founders Garth Drabinsky and Myron Gottlieb were suspended last month and charged with accounting irregularities.

LOWER PROFITS AT CIBC

Canadian Imperial Bank of Commerce reported sharply lower third-quarter profits, blaming weak capital markets and the high cost of expanding on Wall Street. It made \$246 million for the three months ended July 31, down 39 per cent from \$401 million in the same period last year. CIBC had earlier warned of lower earnings.

PAYOUT FOR BOMBARDIER

Bombardier Aerospace was \$1.1 billion in orders from six U.S. airlines. The Montreal company announced an \$800-million contract to supply 27 regional jets to Atlanta-based Atlanta Southeast Airlines and \$200 million in new orders from Midway Airlines Corp. of North Carolina.

AN UNHAPPY ALLIANCE

Industry pressures brought on by the Internet are straining the Sinoair alliance of Canada's major phone companies, said Jean Morris, the president and CEO of Bell Canada. Smaller companies such as Alberta's Telus are not pursuing the same strategies as Bell, he told an industry conference. "The issue for us," he said, "is whether we need to keep the alliance the way it was formed."

SHELL, TEXACO TEAM UP

Shell and Texaco said they will combine European refining and retail operations in a joint venture aimed at saving money. The companies did not say how many jobs would be eliminated.



CHECK IT OUT:

HCR Canada, a division of U.S.-based HCR Corp., will soon start selling a combination scanner and banking machine that allows shoppers to check out their own groceries. Shoppers, guided by prompts on the machine's screen, scan their groceries, then pay for them using a debit card, credit card or cash. To discourage theft, a video camera is trained on shoppers as they make purchases.

No more bailouts for shipyard

Quebec's last major shipyard, Deric Industries Inc., went down after the province refused to guarantee \$300 million in loans to keep it running. The closure affects about 1,500 workers. At the same time, Lachine, Que.-based Business Bridge Corp., a shipyard's owner, temporarily closed four steel fabrication plants across the country, throwing about 800 employees out of work. The future of the shipyard, located near Quebec City, was threatened when its biggest customer failed to make a \$20-million payment on two offshore drilling rigs. Formerly known as Mil-Dyne, the company has been in trouble for a decade despite receiving \$500 million in provincial and federal aid. Dominion Bridge, which bought Deric from the Quebec government in 1996 for a token \$1, filed for bankruptcy protection on Aug. 31. Quebec's Confederation of National Trade Unions blamed Dominion Bridge for the shipyard's problems, accusations of systematically siphoning money from Deric.

Brokers join forces

Consolidations are continuing apace in the brokerage and investment banking business. In the largest two-deal deal, Hongkong Bank of Canada is acquiring Toronto-based investment dealer Gordon Capital Corp. No purchase price was given, but Gordon has assets of about \$45 million. Meanwhile, British Columbia's oldest securities firm, C. M. Oliver & Co. Ltd., and it will merge with Toronto-based Canaccord Capital Corp. to form Canada's largest independent brokerage firm, with combined revenues of \$130 million. No purchase price was announced. The deal would enable the company to better withstand a protracted slump in stock prices, which is already taking a toll on the industry.

FINANCIAL OUTLOOK

GOVERNMENT

RESERVES

Canada's public debt hit an eight-year low in August, falling to 8.3 per cent from 8.4 per cent in July. This figure beat expectations and raised concerns that the economy is slipping into recession. Youth unemployment did to 15.5 per cent from almost 18 per cent last summer. Recession fears had been stoked earlier in the week when Statistics Canada revealed that Canada's gross domestic product, or total output of goods and services, showed to an annual rate of 1.6 per cent in the second quarter compared with 3.4 per cent in the first quarter.

INVESTMENT

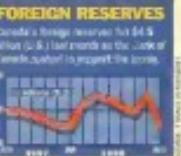
Much of the slumping due to strikes at General Motors and in the construction sector.

The finance department released figures indicating how much the Bank of Canada has spent defending the dollar, which made up some ground

last week. The central bank's foreign reserves in August fell to \$1.8 billion (U.S.), down \$0.6 billion (U.S.) from July.

"Employment rates rose for a full-year gain of 288,000, enough to route deep increases in the unemployment rate," —Nigel Burns

"We are relying increasingly on made-in-Canada sources of revenue to sustain our expansion. While employment in construction at a four-year high, employment in resource-based manufacturing declined." —Royal Bank





Peter C. Newman

The 'diaper indicator' of stock markets

It was a financial Chernobyl—\$3 trillion lost on global stock markets during a single week.

And yet the sun kept coming up on schedules and even more share prices bounced back. Meanwhile, the Russian ruble continued its free fall, the Asian fix has turned into paroxysms, and the economies of Venezuela, Brazil and Mexico appear headed for the toilet.

The leader of the free world, better known as Slack Willy, escaped to Moscow, where he lectured Boris Yeltsin on how to govern by flying on the seat of your pants. The President was happy to leave Washington, even if a grumpy Hillary who now gets up at five every morning, just to make sure she is the First Lady. Stein Donsdorff of ABC News helpfully explained Bill Clinton's problems, by pointing out that when he wants to tell the truth, the whole truth and nothing but the truth—he thinks that means you tell three different stories.]

As for the stock market crash, the best analysis came from a Wall Street operator named Tariq Baghi. In the heat of the bear market, he devised something he called "the diaper indicator." It's based on the theory that "the time to buy stocks is when investors are so scared they're wetting their pants." He did some legwork, but mostly decided there was "not much dampness," and that this was "a time to keep both your pants and your powder dry."

Maybe. But some damp strings are happening. Low-interest rates were once a guarantee of high equity prices; high-interest rates were once a guarantee of high bond prices, but no more. And that makes for unpredictable times. Normally, bear markets are provided by high inflation and rising interest rates. That time, the Bank of Canada raised the rates by a full point only after the mini-crash, and inflation hasn't been an issue since the start of this decade.

The new "law" is deflation. That's what Russia is going through. It has a government that is running on borrowed time and can't collect taxes. Glad you're two-faced Russian tax collectors were killed in the line of duty and dozens more were wounded by rebels/kaos tax evaders. "When the Russian failure shows," says John Makin, strategist for New York City trading firm Coopers Associates, "that global deflationary pressure is great, that's a country like Russia, which is commodity-dependent, cannot sustain any economic tightening, such as falling commodity prices or rising interest rates."

Given in which other "commodity-dependent country" can't sustain any "economic tightening?"

Canada is on the brink of a recession at least as serious as the downturn of the early 1990s. It's a paradoxical situation in that countries such as Saudi, Bahrain, CanWest Global, BCE Inc. and

many others are posting record profits, while the economy is stalling. But that's a sign of the times. Because the global village is a commercial reality, the fate of national economies is no longer connected to the prosperity of individual firms, and vice versa.

We're moving onto a time of overwhelming uncertainty. That's what influences are about. History shows that as centuries end, society's institutions are re-examined and many are replaced. Nothing stays the same. Not just the rules that govern stock markets, but exchanges of every kind—human, corporate, political—are now played by rules that are negotiable instead of predictable.

The best of my summer reading was John le Carré's *The Tailor of Panama*, his 1999 thriller set in the Canal zone that also examines local legal ethics. One of his characters keeps complaining about the bizarre behaviour of Panamanian judges:

"Why did the judge postpone the hearing of your lawyer in herbed blues?" his friend wants to know.

"It was a different judge by then," is the explanation. "A new judge was appointed after the election, and the older judge transferred from the old one. Now, the new judge is extending time to see which side comes up with the best offer. The clerk says the new judge has more time given than the old one, so naturally he's more expensive."

The friend suggests that he go around the courts by driving directly with the government, and "befriend somebody in the agriculture department."

"We did try," is the reply. "But they're high-minded. They say the other side has already beaten them, and it wouldn't be ethical for them to switch allegiances."

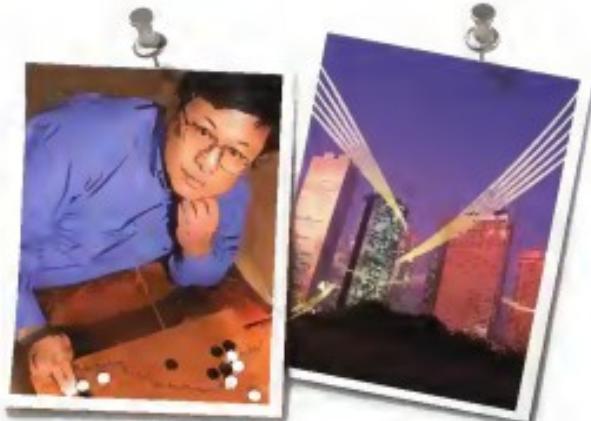
The world may not be safe for Big or Wall Street, but at least our judges seem not only

to be incorruptible but wise.

The Supreme Court of Canada's ruling on the constitutionality of a Quebec unilateral separation was filled with wisdom and common sense. Of course, it would be absurd to hold Quebecers in Confederation against their will. But neither should they be forced into losing their Canadian citizenship by having to vote in an otherwise legitimate election, as was the case last time. The Supreme Court made it clear, though, that they won't go up with anything but a straightforward referenda question. My suggestion is that the next ballot read, "Do you want to separate from Canada?" Below and simple query would be two boxes with a space for the voters' "x." One box would read, "Yes," the other, "Never." That might resolve the major goof.

The Supreme Court ruling should allow the full wisdom of the Quebec people to kick in. That can only help the federations. In the previous world of market and stagflation crises, holding on to your country became a precious anchor.

We must not let go.



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Yong Yuan, Data Applications Specialist

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Personal Finance

Going crazy for collectibles

Collectors face big rewards—and big risks

Sham prices are hitting. Wall Street's euphoric zone have been jolted. But in toy boxes across Canada, Beanie Babies are still laughing. The heavily popular stuffed animals have turned the term "bear market" on its ear. An apparently insatiable demand for the upholstered quadrupeds, which retail for about \$15, has driven prices for some versions through the roof, making them among the hottest collectibles in the market. Peeking, a dark blue elephant manufactured by Chicago-based Ty Inc. and discontinued in 1995, now fetches as much as \$7,500. Further this year the company successfully urged U.S. customs officials to control the many kinds of Americans who, capitalizing on the lagging housing market, were booting across the Canadian border to buy the cuddly creatures. At a massive Beanie Baby show and sale in Calgary last week, collectors such as 80-year-old Agnes Taylor came from as far away as England. "We never dreamed it would be this big," says Bill Heise, vice-president of Ty Canada Inc. in Aurora, Ont. "There's a lot of speculation out there that these pieces are going to fetch twice one day."

It's not just Beanie Babies. The returns on some collectibles would make any investor salivate. A \$1,000 stake in rare, multi-condition hockey cards in 1979 would fetch \$79,000 today, a 7,800-per-cent return that would easily beat stock markets in Toronto or New York City. And the choice of what to collect as an investment is virtually boundless. From classic cars and coins to more esoteric items like cigar labels, obscure political pins, even meteorites.

But investors bumped to the Tillie Wharf walls of stocks for the apparent security of tangible goods should take notice. Prices can be even more volatile and not in constant. Today's Beanie Babies could be tomorrow's Cottage Patch kids, with a fraction of what they once were. "If you're going to invest in this stuff, you better know what you're doing," says Susan Scott, a Toronto-based collector and author of *A Book of Art Antiques and Collectibles*. "It's tricky. You can make a lot of money or you can lose a lot of money."

There is one problem. As much as 70 per cent of the price of an antique or collectible is profit, says Harry Blader, a president U.S.

Taylor with her Beanie Babies: investments can be more than just stones and books

authority on collecting. "If you want to buy at risk, you better buy very cheap if you're going to get burned," says Blader, who runs a Pennsylvania-based consulting firm. And getting your money out is no easy feat. Unlike most stocks, collectibles are not easily liquidated. Owners in a rush to sell can expect to be low-balled by prospective buyers.

No price is carved in stone. Gone are the days when certain areas could be expected to increase steadily in value year after year just

because an item is old. (Blader defines an antique as anything made before 1945), doesn't mean its value is guaranteed. The forces of deindustrialization, and in today's market, the tastes of a younger generation are changing, which is hot. Argues that date from between

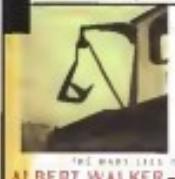


FACT stranger than FICTION



BILL SCHILLER

A HAND IN THE WATER



THE MARY LEE OF ALBERT WALKER

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From *Albert Walker: The Man Who Broke the Story* by Bill Schiller
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PERSONAL FINANCE

1810 and 2940 are one of the softest segments of the market," Rinker observes. He estimates that Model T Fords are losing up to five per cent of their value every year. "Younger people are doing the buying now," says Scott. "They're not as interested in traditional antiques. To them, the 20th century is unique."

So what's hot? Try chintz, which has led the culture in the 1980s. British manufacturers in big, Tuscany and Italian-designed furniture from the 1980s are also selling fast. As British designer Paul Jackson's sofa, designed in 1988 recently fetched \$100 000 at a Christie's auction in London, well above the catalogue estimate. Scott says Christie's South Kensington operation has been especially sharp in predicting new trends. This month, the auction house will stage what it bills as the first ever sale of James Bond paraphernalia, including costumes, props and cars from the 1971 film *Die Another Day*. One item—a fake James Bond—was being more than \$60 000.

For those able to spot what's hot, there is money to be made. Items associated with celebrities also have recently died or those in the news almost always prove in value. A perfect 1985 baseball card featuring then-rookie Maris McGraw, who last week was promoted to anchor Roger Maris's home run record, now sells for \$1 000. Ten times book value. According to some estimates, the record-breaking ball may well go for as much as \$1 million. "It's kind of crazy," says Baran Hilekci, editor of *Comics Sportsworld Collector* in St. Catharines, Ont. "But there are



Scarf with chintz motifs (top); incantation from
Dr No younger buyers are dubious what's hot

people out there willing to pay that much."

Not all trends are tied to popularity. Native artifacts, especially those from Western Canada and the southwestern United States, are in hot demand. Items priced at \$20 000 a decade ago would easily be worth \$200 000 now, says Sydne Dobson, who has run her Lansdale, Sask., antique shop for 25 years. Across all categories, the finest high-end estates, such as Louis XIV furniture, peaked at \$200 000 or more—also tend to show steady increases, Rinker says. In fact, prices rise, so too do the risks of getting taken. Prices can drop even the smartest collectors.

The only real protection is to buy something from a sense of affection as much as from a desire for profit. "The financial reward is just a bonus," says Dobson. "If you don't want to own it and look at it, you best put your money somewhere else." In the end, love might just explain the *Bruce Baby* craze. If the price goes south, collectors will at least have something to cuddle.

JOHN SCHOFIELD

What's On Your Mind?

Family Health Week



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(Clockwise, from top)
Cole, Scott,
and Ben
from country
to *Alvin*

Finding his big-screen voice

The personal life of actor Jason Priestley has kept the Hollywood go-to guy in the headlines for more than a decade. He became television's golden boy in 1990 when he donned a leather jacket and hit the screen with actress Julia Roberts in *Dangerous Liaisons*. Since then, he's moved on to *Canada's newest* *Mother Superior*. But while his romantic partners have tended to be high-profile, they include actress Robin Wright and his current girlfriend, supermodel Christie Brinkley—his acting career has been predictably uneventful. That ap-



Priestley: actor, producer, playcatcher

plies to his latest role, in the film *Your Friends & Neighbors*, which also marks his first time producing.

Born and raised in New York City, Priestley started acting while still a teen. He claims he wasn't noticed by the cameras—his breakthrough came when he played Jackie Gleason's son and father of playwright Jason Miller—but does admit that "acting is the only thing I was ever qualified for." After roles in several dramatic films—including the 1989 blockbuster flop *Speed 2*,

Priestley has off-blockbusters, which he says he could afford to make. "But I have no money," he says. "Not I had no money."

Initially only the producer of *Your Friends & Neighbors*, Priestley became director Nell Blalock's choice for cast, and was eventually convinced by Labine to play Gary, one of the six men friends trying to reconcile a dead and estranged Priestley realizes the movie is controversial. "This is a film that forces audiences to confront truths," says Priestley. "It makes them realize that they themselves are, or know people, who are like this character."

Canada's new kids on the block

At the ripe old ages of 14 and 15, The McLeans are already 10-year veterans of the music industry. The four brothers—triplets Dave, Cole, and Bob, 14, and 15-year-old Scott—have taken the teen girl market by storm with their latest album, *Chapter 1: A New Beginning*, which has gone platinum (sales of at least 100,000 copies) in several Asian and European countries and gold (50,000) in Canada. "It's unbelievable getting these platinum albums," says Scott, the lead singer and songwriter. "We're going to our grandparents in Vancouver."

The McLeans were born and raised in Victoria. Their parents, Frank and Doris, were country-and-western performers (once advanced, Frank tours with the kids' band, while Doris is pursuing a music career in Nashville). Then 3, and the boys soon followed in their footsteps. When they were 8 and 9, the brothers first appeared on stage at a local telethon. In 1994, they became one of the youngest country groups to sign a major North American recording contract, leading the family to move to Nashville. This was followed by a tour with the Dixie Chicks, a Las Vegas show, and appearances on *Parliament Hill* and at the White House.

But as they grew up, their musical tastes changed. "We started to listen to Nickelback and Bryan Adams," says Cole. "And the Beatles," adds Dave. So they dropped the country act and wrote pop songs for their fourth album. "The new sound has been great," says Bob. "We've been getting lots of play." And what do the four think of their status as teen idols? "It's really cool," says Scott, adding that they are unattached at the moment. "But, being on tour makes it hard to maintain a relationship," he adds.



Photo: Peter M. Gantz; Car: Daimler-Benz

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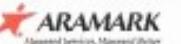
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Ann Dowsett Johnston

Battling the brain drain



Andrew Karsky has decided to leave Canada again. For the second time in less than a decade, Vancouver native has packed his bags and headed to the States. This time, he was being compensated to the tune of \$120,000 a year at the University of Western Ontario's Richard Ivey School of Business, or that he and his young family were immigrating to London, Ont.

Last month, the 36-year-old finance professor moved into an office on the top floor of Suder Hall, the business school's \$20-million home of the Peter Wall College of Business in Vancouver. Other than salary (\$90,000 U.S.), plus a research budget of \$60,000, small promises, were you curious? That many of his colleagues have jumped to Wall Street for \$250,000-plus.

But according to Karsky, money wasn't the only reason he headed south. "There, there is a cluster of excellent, like-minded colleagues who are publishing research at the very highest levels, of immediate relevance to the Wall Street community," says Karsky, who studied under Nobel laureate Martin Miller at the University of Chicago. "And that's what you're looking for. How can you ever go to a local cluster like that in Canada? You can't entice great people to come to Canadian schools because, in terms of compensation, the cluster is as wide as the Grand Canyon." Will he ever come home? "What's the question? I've been here twice already. Twice shy?" I'll be seeing brilliant person for the situation first."

Along the same lines, Andrew Tapp, a 30-something Toronto native, has decided to leave at one of top Canadian universities. "This is no job for the jump quartered on the front of a horse," says Larry Tapp, head of the first school—anglophone Canada's pre-eminent business school—and Karsky's former boss. Tapp is leaving a mid-size, upscale law of 900, with a large gap in the bottom line and a passion for his school. A student entrepreneur, Tapp ran Lawrence Martens Group, the packaging start-up, for 10 years before selling it to a held a job at 3M. Three years later, at 37, he accepted a seven-year term as dean. "Larry was an unusual choice, but a great one," says one university insider. "He's aggressive, entrepreneurial

and he doesn't know who anyone."

From Day 1, the barn under Tapp's saddle has been money-over-task driven, especially compared with the wealthy American business schools. Sixty-five per cent of faculty applicants who went elsewhere are leaving south of the border, leaving for the likes of Stanford, Wharton or the Harvard Business School. This year, the number of Canadians applying to Wharton alone jumped by 10 per cent—100 individuals, or, as Tapp puts it, "More or less the size of my

university, and he doesn't know who anyone."

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as Tapp puts it, "More or less the size of my university, and he doesn't know who anyone."

your hand, and hope you'll get something?" So far, he has raised \$4 million of a targeted \$75 million for the school. Faculty remains a huge challenge. Still, he is encouraged about Karsky's departure. "Why wouldn't he go?" asks Tapp, ever the businessperson. "If we want to be competitive, we have to have more revenue coming in. It's like the Dallas Cowboys—justified the talent."

If talent is what it takes, University of Toronto president Retha Phirman has sourced a living Roger Martin—Harvard Business School class of '86—back to Canada. Last week, the 48-year-old native of Welland, Ont., rolled up his management cuffs and took the helm at Toronto's Rotman School of Management. Far from it, he gave up his position as director of Monash Co., the Consulting, Mass. based management consulting firm founded by Harvard strategy guru Michael Porter. Porters, he also accepted a 90-per-cent cut in compensation—though he will continue his consulting work, which currently includes helping Procter & Gamble to implement a major shift in its global strategy. What Tami Brown—former editor of *The New Leader*, now launching a media company with Dennis Prince—management advice, fits Martin she turns to.

Now, the man who has made a career as a doer has given himself seven years to turn the Rotman School into one of the top 10 business schools in the world. Dismally ga-ga-toothed and ad-festive, Martin is ready to ease saying that he has no desire to run Harvard (Harvard—a school he feels is too used to change). "Catching up to a Mid-Mkt or a Disney or an Intel would be really hard, but there is so much lead in the business school business," Martin believes that when the current snap talent parade provides MBAs as narrow, theoretical thinkers, it's not the end of the work. "Problems come in messy packages," he says. "My dream is to produce graduate students who are integrated thinkers, who see business as a more holistic way."

All this in seven years? "It may take 10," cautions Martin, "but the thing is right."

Canada has a huge competitive advantage: investing in knowledge assets is critical—and you can't underscore that in another country. We need to mobilize a lot of resources to get the great Canadian back," says Tapp, who has had done a pretty good job of branding our school."

Skeptical to leave that tradition, Tapp is gamely working his way through a resource allocation agenda. "First, I had to get the God-damned cap of inflation," he says. "At \$125,000 a year, our MBA is still a hell of a tag." Next, he hired Granahan-Brown, Chicago's consulting fast-food chain, to improve upon what he calls the United Appeal approach held out



Andrew Tapp, Dean of the Peter Wall College of Business

Lure of the long ball

Baseball bounces back with Slammin' Sammy and Big Mac

BY BOB LEVEN

When all else fails—and in recent years baseball's stock has been sagging like the loonies—there is always the history. It helps if this lore also happens to be true, although it's just as essential after all, the game's Hall of Fame is in no competition, a quaint bogey in remote New York where the sport was allegedly invented in 1868 by one Abner Doubleday, who later became a Civil War general but never claimed any connection to baseball at all. Na, the romance of it all! And, like any romance, it's more of a tradition than of fact, and so, like most stories handed down through the decades, like family photos. And if the love affair occasionally becomes platitudinous—whether from crinkles of the old clothes or the innocent overstatement of true believers (the official companion to the Cooperstown collection calls baseball "that singular American institution by which we make our days"), there is no denying the game's charms, or its ability to inspire heroism. This has been one of those seasons—and the name of the game is long ball.

How raw? The words are so translatable, so glibly, that generations of boys have also applied them to us. Nothing makes baseball fans quite like heroes, those soaring stars who score some status and prestige in the blemishes or even clear out of the yard. And in all of baseball's history past, no record is as sacred as the one Mark McGwire and Sammy Sosa have so strenuously chased this summer: the single-season home-run mark. For years, it belonged to the Babe—George Herman Ruth, the Sultan of Swat, whose prodigious status brought the fans back to the parks after the 1919 Black Sox scandal in which gamblers fixed the World Series. "Slyde" came in '01, '02, Ruth roared in the New York Yankees' indomitable run that magical season of 1927 (or so the story goes). "Let's see some other son of a bitch match it!" Well, some other fellow fit that slot and one better: the Yankees' Roger Maris belted 61 in '61. And while he had eight more games to than the Babe (the season had been lengthened), prompting resentful Ruth-leaguers to demand an asterisk, the beligerent Maris was now the year's home-run king.

At least until the summer of '98. As it all was in a shamb, and resulting in the players' strike four years earlier and the owners' division—see step 10 to the right—to cancel the World Series. Suddenly the sport didn't look so much historic as out-of-date and out-of-touch—a sour-sweet game played by overpaid whizzes working for gravity bars. Attitudes dropped 15 percent in the first year after the strike. It has rebounded slowly, riding individual schisms like Cal Ripken's daily march to the consecutive-games-played record in 1995, and lyrical triumphs like the Yankees' splendid



Soph (above); Maris hitting his 61st (below); Ruth with his wife, Claire (left); in baseball, no record is as sacred as the one McGwire and Sosa have chased this summer



season off in progress. But above all there is the McGwire-Sosa show. And while their once-powerful swing may not be a parades (between the curtailed violence of the fan-challenged Montreal Expos), they have helped boost overall attendance by three per cent over last year while drawing the kind of mighty, courted-wolf coverage that can't be beaten.

Like any good story, the home-run derby boasts compelling characters: McGwire, 34—who had 60 homers by last September and seemed poised to pass Maris—in an instant's rest, we feel, the lecherous and 34½, a red-bearded California man who was traded from Oakland to St. Louis last year and will now be with the standard team. He rewarded them, in fact, not only by blasting balls all over Busch Stadium but by signing with the Cardinals for another three years (at \$60 million) because he has a box-office appeal and apparently counting \$4 billion of it to help sustain the struggling kids. Don't matter that the first baseowner also uses under-the-table, a contrived drug that helps build those formidable muscles but is perfectly legal in baseball? Not to most fans, apparently; the game is as much about status as reality, remember, and besides, this St. Louisian bopper was knocking down fences long before he was popping radio force fields (topping 30 hours in a season). As for his long-term health—well, that's something else again.

Then, there is the apoplectic Sosa, 23, who had never before hit more than 60 homers in a campaign but bid 58 by Sunday. Born in the Dominican Republic, in the hardscrabble lands of San Pedro de Macoris, Sosa grew up sharing shoes to support his family and not even daring to dream of a major-league future. And his path to stardom has hardly been smooth. Injuries, selfishness and, er, transience: he was traded in 1997 from the south-side Chicago White Sox to the north-side Cubs. There, eventually, he blossomed, growing more patient, more lethal

at the plate. And the out-fielder whose four-year, \$65.5-million contract was once deemed as a waste of money has become Chicago's favorite hot man—skipping out of the batter's box after home runs, blowing a kiss in honor his mother, Lorraine. And driving some balls out into Wrigley Field's left-field bleachers in St. Louis is a culture where size still matters, he is the monster-masher.

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Of the two men, though, it's McGwire who has commanded more of the national limelight. Is that, as some have suggested, a matter of race, that indelible American stain? Who can forget the virulent shade Hank Aaron took in 1974 when the African-American slugger had the audacity to challenge and ultimately break Rod Carew's career record, 708 career home runs? Well, race may color some views, but nothing is quite that simple. McGwire has the home-run history after all, and in culture where our divided masters, he is the monster-masher. "It's amazing," marvelled friend Marlin pitcher Jim Shouler, after serving up home-plate number 58 last week. "You can't throw the guy up or he'll reach or he'll hit 500 feet. It's little adjust of theirs." Even Sosa, distinguisheously, concedes regal stage: "Mark McGwire is the Man," he says, grinning. "I'm just another lad."

So there they are, day after day: Sharpest Sammy and Big Mac (and what could be more All-American) from a bitter summer after a bantam-size belling star became "base" after another, seemingly on cue, like Robert Redford in *The Natural*. Despite the relentless pressure of the chase—during the heat of expectation before and after every game, across the same unanswerable questions—each in his own way has managed to avoid the fate of Maris, who grew silent and early during his drive even as his star fell out in a clump.

The two-year circus will run to the end of the regular season, on Sept. 27, when the final tally comes in. And it will continue to transform the type, the old-expression suspicion that the ball is biased, the endless arguments over which era's stars had the toughest trials to manhood—the kind of fan-delusion that can never be settled—but that like the generations, pass the torch. "Americans," says McGwire, "are embracing as bad they're also embracing baseball." In the long line of the game, the season of '98—the season of Sosa and McGwire—will soon take its rightful place, and some of the stories may even be true. □

Urban all over the world

BY WITOLD RYBCZYNSKI

Whenever I fly into Montreal, I am struck by what I see from the plane window. The downtown of high-rise office buildings rises between the green meadows of Mount Royal and the broad St. Lawrence River. It is an attractive setting. But what impresses me is something else, the sheer expanseiveness of the place. It is as if an immense carpet of houses, shopping centres, warehouses, low office blocks and manufacturing plants, crisscrossed by highways, had been scrolled across the entire island and beyond the river, north and south, as far as the eye can see.

I am looking at a city whose population is greater than that of most provinces. Perhaps "city" is not even the right word. There is a city, of course, the city of ancient churches and pastries, the old town of grey stone architecture with public squares, of sidewalk cafés and jazz lounges. This is the place that attracts visitors and connoisseurs. It is safe, but that Montreal is surrounded by a second and newer city—a city where people live in houses, not apartments, and walk-ups where urbanites once spread out, a city in which the means of travel are chiefly individual instead of communal. This is not a city that attracts tourists or conventions. Nevertheless, it is where the new jobs are, where young families buy their first houses, where corporations establish offices, and entrepreneurs start up businesses. This new city is already twice as populous as the old—and growing. It is the city that—for better and worse—we have built for our children. It is the future.

The past 100 years has been an age of unprecedented urban growth. At the beginning of the 20th century, considerably more than half of Canadians were still classified as rural, whereas today more than three-quarters are urban. And not just small-town urbanism; most of Canada lives in very large cities. Indeed, one out of three Canadians lives in metropolitan Toronto, Vancouver, Ottawa or Montreal.

Throughout the late-19th and early 20th centuries, cities were centres of population largely because they were also centres of manufacturing. Manufacturing took place in multi-story, tall buildings, located within the neighbourhoods where the factory workers lived. After 1950, the nature of manufacturing

changed. Trucks, not trains, became the preferred method of transporting goods, and plants were organized on one level rather than vertically, with raw materials and finished products moving horizontally between the factory floor and parked trucks. The narrow streets of the older cities could not accommodate these large vehicles, nor was expensive urban real estate suited to large, spread-out buildings. So new manufacturing plants were built in the outlying suburbs, which were planned for automobiles and trucks. Where employment went, people followed, and cars took them there.

Life in the new city does not depend only on automobiles. Fax machines, cell phones and the Internet make it possible to live almost anywhere with a min-



and loss of work efficiency. Videocassette recorders and satellite and cable television bring sports, education and entertainment from around the world to the most distant locations. The effect of that technological change, coupled with catalogue shopping, decentralized warehousing and efficient goods distribution, makes the entire metropolitan area—not only the countryside—an attractive place to live.

Decentralizing technology encourages the fast-growing growth of large cities, but it also has an opposite effect. It makes more smaller cities competitive. In the past, the big city led in entertainment, retail, health care, employment and quality of life. The largest movie theaters, the most advanced hospitals,

Chicago skyline; Montreal's urban sprawl; cities no longer display the kind of glamour that signified urban life in the 1920s, when ladies wore gloves and hats in the afternoon.



As the globe has become urbanized, the challenge is to create something more meaningful than sprawl, argues Witold Rybczynski, Meyerson professor of urbanism at the University of Pennsylvania and author of *City Life*.

Essays on the MILLENNIUM

The fastest department stores, the largest libraries, the best sports teams were restricted to a handful of the largest cities. That is no longer true. Small cities are now able to offer the same multiplexes, the same national chains, and the same franchises. Not that a big city doesn't have an advantage, but it's a smaller advantage than before. Small cities often offer more responsiveness—and responsiveness—goes hand-in-hand with a stronger sense of community. Listings of "The best places to live" are headed not by big cities, but by relatively small cities like Kitchener, Ont., or Sherbrooke, Que., or Victoria. Air freight has enabled manufacturers to locate plants away from large urban centers without loss of efficiency. Air freighted not just for a regional airport is a potential factory site.

Individually, we trust in yet another technological factor that engenders the new horizontal city. The railroad terminals once ensured the importance of the downtown, major hotels, restaurants and entertainment spots were located around the station. Around all hotels and services (as well as warehouses and manufacturing facilities) clusters surround the airports—relatively close to the new city but miles from the old downtown.

Joel Garreau, a reporter with *The Washington Post*, was the first to identify the new sprawling developments in the metropolitan fringe. What was surprising about Garreau's strategy, which he discussed in his 1991 book *Edge City*, was that the new cities accounted for more office space, more employment and far more economic activity than traditional downtowns. Garreau went to Manhattan and rural Montreal, but the job were going to suburban New Jersey and Los Angeles.

Garreau is the first to admit that sprawl looks cheap. In a word, it's ugly. Yet he speculates that it's merely a matter of time before urban amenities normalize. After all, he reasons, the cities that we admire today were not always beautiful. "There is a lot of the essence in city building," he writes. "Give edge cities time before you look your compassore." Seven years have passed since he wrote that. Some edge cities such as Mississauga are indeed maturing and sprouting civic buildings, arts centres and concert halls. But change is coming slowly. Variety is still missing. Neighborhoods with all-purpose tend to be homogeneous. A shopping mall has but one owner, so despite sophisticated management techniques, there are fewer niches for the sort of creative entrepreneurship that finds its natural home in traditional downtowns.

We know after centuries of trial and error how to build good walkable cities. There is a bitter lesson of events and blunders of arenas and highways. We know how to design public spaces, make parks and set up the rules of behavior (taffled zones and building regulations) that produce attractive streets. But having put aside those rules, we find ourselves at sea. We can build agreeable shopping malls off-shore parks and comfortable houses, but we don't know yet how to put them together. The new cities consist of buildings set far apart from each other, surrounded by parking lots. It's hard to get from one area to another except by car. The individual pits are attractive enough, but they don't quite sell up.

Judging from past efforts, it appears unlikely that future sprawl can be avoided by curbing suburban city planning. Ottawa has many layers of city-planning bureaucracy, but that has not kept it from spreading out. The Montreal Urban Community was formed to encourage regional planning, but that did not stop Laval from growing up outside the boundaries to become the second-largest city in the province. Met-

ropolitan Toronto, despite the example of a wisely adroit central city, continues to expand horizontally; so do most European cities.

The chief challenge of the coming decades will be to control sprawl but rather to add fuel to the ingredients of urban density, walkability and variety. Large shopping malls have started to combine retail, food and entertainment, but they should add apartments, food courts, office parks and restaurants. Residential neighborhoods should have a variety of housing: apartments as well as houses, corner stores as well as townhouses. The key to a successful urban environment is to create what real estate developers call a 24-hour place, combining residential, office, retail and entertainment areas in relatively close proximity to produce density and activity. That is what makes downtown Vancouver, San Francisco and midtown New York so attractive. The town of Mississauga, a quintessential new suburb west outside Toronto, is currently building a new town centre to create a concentrated, mixed-use downtown district. If successful, this could be the model of how to create a sense of intimacy in the new city.

Then there is the question of how we should get around. Cities have

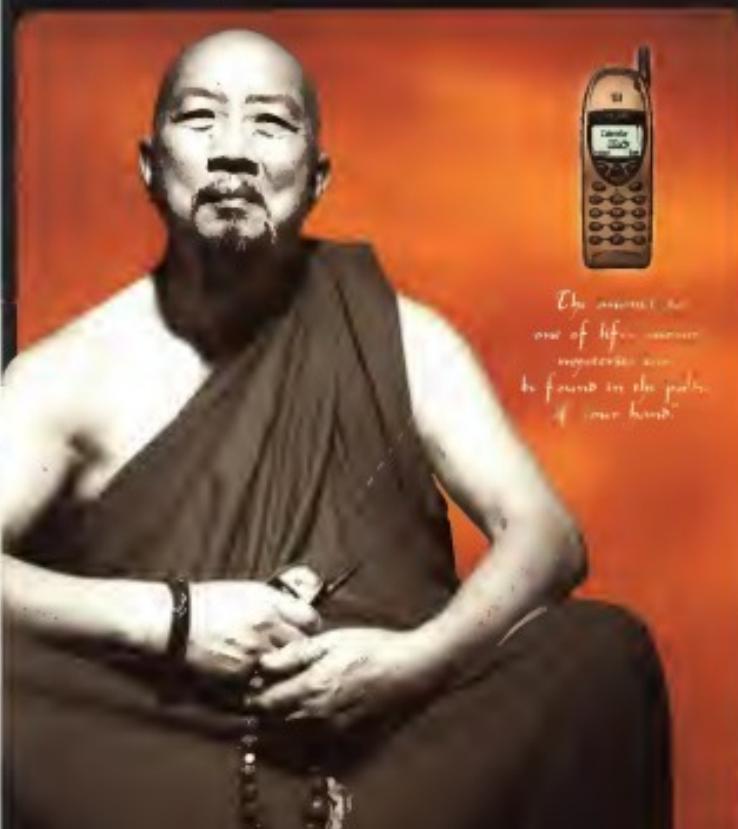


Times Square in New York, one of those fully paid-up members in the select club of photon cities

traditionally grown up around a single mode of transportation: walking, the horse-drawn carriage, the streetcar, the bus, or the commuter railroad. The new city has grown up around the automobile. As with every transportation technology, there are problems due to environmental pollution and congestion. Environmental pollution, already vastly reduced by catalytic converters, will cease to be an issue with a new generation of electric and energy-conserving cars. Congestion, will continue, however, and while high-occupancy lanes, toll roads and park-and-ride may constrain traffic, the ultimate solution is to reduce automobile usage. We now have many transportation modes, and we should make use of them all. Small-scale mass transit to take shopping malls and office parks on demand mass buses for longer trips, light rail to service far-flung residential communities, and interurbans for the periphery. The architect and planner Marsh Sillito has suggested that instead of owning cars, people could rent utility vehicles when necessary. These cars would be rented by a credit card and easily available—picked up and dropped off like a shopping cart.

The relocation of manufacturing, the attraction of new smaller cities, and the emergence of new cities on the metropolitan fringe have had a major effect on many old cities, particularly in the United States. Despite vigorous metropolitan growth, many have lost employment, pop-

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ation and wealth. As too big, a city's massiveness drives up costs and more people leave. During St. Louis and Newark, NJ, for example, have declined so that entire neighborhoods resemble modern ghost towns. Even cities like Chicago, Philadelphia or Baltimore suffer on. But they have lower concentrations of poverty than if middle-class prosperity. Canadian cities have been largely insulated from these trends. Uniform, preexisting education, a redistributive tax system and a stronger safety net have created a degree of urban stability. Consequently, our cities are safer, cleaner and better managed than anywhere else in North America.

Cities have to adapt. Adapting does not mean reviving manufacturing—that day is past. Rather, cities have to invent new roles for themselves. Toronto and San Francisco, for example, are important banking centers, rapidly becoming second-tier global cities. Boston specializes in financial services, such as banking, print and electronic media, and the creative design professions; face-to-face contact and the concentration of supporting service sectors assets that downtown can provide. And a prosperous metropolitan region can support a central city—it is attractive enough. This has happened with Silicon Valley and San Francisco, Microsoft and Seattle, and the high-tech industries of Route 128 and Boston.

Traditional downtowns may not be the cheapest or most convenient places to do business, but their historic districts, converted warehouses, and concentrations of cultural institutions and amenities make them not only engaging places in which to live, but also interesting places to visit. This has led to the revival of Times Square in New York, the proliferation of theaters in Toronto and the appearance of every conceivable sort of urban amenity, from contemporary art to stock and roll. Some critics pooh-pooh urban tourism as if it were anathema or disastrous, but tell that to the Westcoasters who have been servicing tourists for 200 years. Vancouver is a sort of playground for the Pacific Rim. If that sounds trivial, it isn't. In many cities, tourism is currently the major industry. Even New York and London depend heavily on income from holidaying visitors, so does Paris, which at twice more than 20 million tourists a year.

Once cities made textiles, rubber tires and machine tools, exporting has requires less raw materials and expertise. It just enough money to build a performing arts center and long banners from the lamp posts, as many filtering downtowns do. The tourist must enjoy the entire urban experience: walk down the street, ride the subway, being in a crowd, sitting in the park. Only those cities that offer this full range of "services" as a safe, clean and pleasant environment will thrive.

Cities have always competed with each other. In the past, they did so on the basis of a good deep-water port, an advantageous geographic location, or proximity to natural resources. The competition among cities for tourists and conventions depends on different transportation, infrastructure, urban amenities, beneficial industrial settings and culture. In a crowded field in which there will be a few winners and many losers. Obviously, not all old cities are equally blessed. In the past, a city that could not compete still resulted had at least a future as a regional centre. Today, the tourist and the conventionist have many choices. That Montreal, then Las Vegas, is now Vancouver, Walt Disney World.

Some cities will be prestigious, well-managed and attractive places. Many people will choose to live in cities, many more to visit them. Yet

Vancouver, where international competition for tourists will create winners and losers

a future decline in the importance of our cities is inevitable. Big cities no longer dominate cultural and economic life. Computers came from suburban San Jose, Calif., and software is developed in places like Redmond, Wash., a small city outside Seattle, or on the outskirts of Ottawa. The dominant urban form is the metropolitan region, and within this region the city will be but one of many centers. No doubt, it will be advantageous for a metropolitan region to include a thriving central city, but it will not be essential. Cities will have to make their own way.

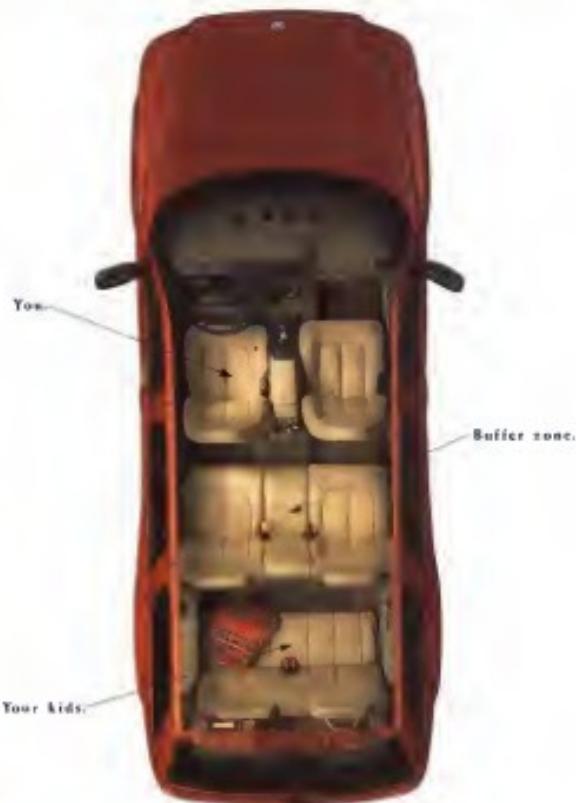
Indeed, in making their way cities should not necessarily strive

to enter the select club of global cities. Currently

there are three fully upscale members: New York, London and Tokyo. The waiting list includes Los Angeles and Hong Kong. Global cities dominate international finance and are also leaders in high-value commercial and residential real estate, luxury hotels and four-star restaurants. They are absolutely centers of personal wealth. But they lead a precarious existence. Depending on financial markets in risky areas like New York will find if the stock market has an extended low. Nor does an international role insulate cities from local economic pressures, which are reflected in Tokyo. Unlike the great trading cities of the 16th century, global cities are not independent city states.

Urban sprawl is not only physical; it represents the sprawl of urban culture. That this expansion has come at a cost—at least to the traditional city. The basis for city life was always the distinction between the city and the much more populous countryside, between urbanity and provincialism, between the city slicker and the hayseed. Big-city newspapers still talk about "the city" and "the suburbs" as if they were two different worlds. They aren't. Cities today no longer display softmax, cause and a beauty—the kind of plausibility that signified city life in the 1950s, when people were more tied to dinner and ladies wore gloves and hats in the afternoon. "Glib, you say?" Of course it was. The modern city is more democratic, but it is also considerably cruder and more corporeal. Meanwhile, edge cities spawn restaurants with extensive wine lists, art galleries and museums, well-stocked bookstores. A con sequence is taking place in the metropolitan area.

More than 25 years ago, the American editor Irving Kristol wrote that modern life was now entirely urban—"whether that life be lived in a centrally located or a suburb or a small city, or even in those rural areas where scarcely more than a third of our population still resides." This is unquestionable. These have always been cities, but there has never been a civilization that is entirely urban. We are only slowly starting to learn what that means. But one thing is certain: the 20th century will be the last age of singular cities. We are all urbanites now. □



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Waiting times: are they being exaggerated?

The federal government is leading web forums over the controversial issue of waits for medical care. A study paid for by Ottawa concluded that reports of delays in access to medical services were often misleading, and "inversible" survey evidence that "Canadians are dying as a result of wait times" would be presented at the association's annual meeting in Whitehorse this week. Federal Health Minister Alan Stock, scheduled to speak at the conference, released a \$150,000 study by academic experts that described most late reporting to show patient waiting times as "coarsely organised" and poorly measured. Without citing evidence, the study declared that waits for physician or medical institution "may be reduced by 30 percent to 30 per cent" by various means, including the listing of those already treated. The report did not present data from actual medical waiting lists across the country. But it noted that delays in obtaining hip and knee replacements, psychiatric treatment and access to some types of diagnostic imaging are among the problems most frequently cited by health authorities. CMA officials characterized the report as an attempt by Ottawa to alter Canadians' perceptions about a troubled health-care system.



Backlogged emergency department in Toronto just before Ottawa's audit with doctors

IMPLANT ACCORD

More than 4,000 Canadian women could be eligible for M'stines in a \$39-million settlement with Midland, Mich.-based Dow Corning Corp. for medical problems associated with the company's silicone breast implants. The settlement resulted from a class-action suit launched in British Columbia on behalf of women across Ontario and Quebec, who reached a separate settlement with Dow Corning in July. This new offer must be approved by B.C. and Michigan courts. To be eligible for individual settlements—which women and could hinge from \$5,000 to \$50,000—women must submit medical records showing they suffered harm from Dow Corning implants. An estimated one million North American women, including about 150,000 in Canada, had silicone breast implants before 1992, when regulatory agencies banned them. Females in final settlements by Dow Corning in North America now total about 35 billion.

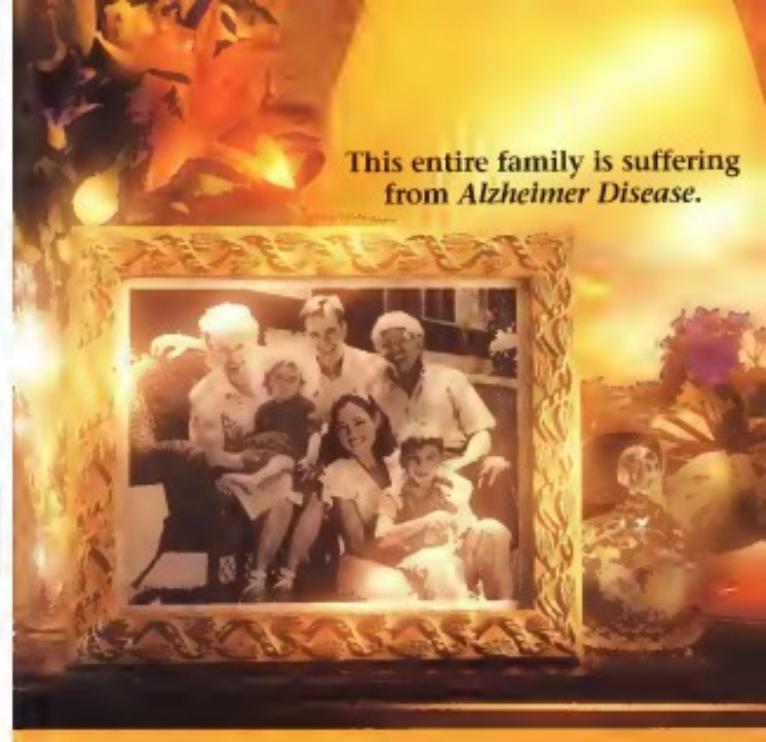
Slowing the ravages of MS

A promising new drug treatment may be capable of dramatically slowing the progression of multiple sclerosis, a crippling neurological disease that affects more than 75,000 Canadians. "The good news," said Dennis Grevetinger, a spokesperson for the Multiple Sclerosis Society of Canada, "is that this drug affects the underlying course of the disease." In a European study patients with advanced MS who took the drug, Betaseron, experienced delays of up to a year in

disease progression. Some experts said progression might be delayed much longer in patients who begin using the drug at an earlier stage. MS can cause loss of speech, vision and physical movement, sometimes leading to complete paralysis. Betaseron, distributed by Berlex Canada Inc. of Lachine, Que., is currently used in Canada for the treatment of less severe MS cases. Health Canada is reviewing the drug on a fast-track basis for use in advanced MS.

est. Quebec health minister from 1973 to 2010, and his wife, Monique Jérôme-Fortier, president of the Montreal-based Institute for Research in Public Policy, recommended in a new book, *Who Is At Fault?*, that funding be assigned to doctors as a percentage based on physicians and specialists, they suggest, would organize into groups to negotiate with hospitals and other agencies for ser-

vices their patients require. That, the couple says, would reinforce competitive elements without punishing medicine. The proposal is similar to procedures already in place in Britain, Sweden and the Netherlands. "We have a culture, a history in which people have put faith in their doctor," says Jérôme-Fortier. "We want to give the decision-making to the doctor."



This entire family is suffering from Alzheimer Disease.

Should MDs control health spending?

Two Quebec health-care experts are proposing a fundamental restructuring of the Canadian health-care system that would put physicians, rather than bureaucrats, in charge of spending decisions. Claude Fortier

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Elephantine fantasies

Barbara Gowdy triumphs with a pachyderm saga

BY JOHN BREMROSE

Barbara Gowdy emerges that she is a wielder for piano tuning. The willowy blond novelist shows up for lunch at a downtown Toronto restaurant precariously at the survival upon her—she begins talkin about the fatigued occasion, five years ago, when she actually chose to be late for an appointment. It seems that while hurrying to leave her apartment, she was distracted by a National Geographic Society television documentary about elephants. Long fascinated by the workings of the animal mind, Gowdy set enthralled at footage of a group of African pachyderms as they discovered the skeleton of one of their former matronesses. They tentatively handled the bones with their tusks, apparently in recognition. Meanwhile, the show's narrating zoologist, Cyril Mowbray, explained that the great animals will often bury the bones of their own dead. Or, if the bones and conversely pass through the river the remains, as in carrying out a religious rite. Gowdy was electrified: "I found myself giving up and down my back," she recalls. "It seems to me that if you're conscious of death, then you're conscious of life. And whatever consciousness encompasses, sadness, depression, despondent thoughts—the elephant had it."

That was the seed of *The White Bone* (Blazer Publishing Canada, \$20). Gowdy's dour new novel about African elephants, which tells its story from a semi-4th point of view. Part *Vietnam*-esque, partly *Madagascar*, *The White Bone* follows a number of the bones in the well through a landscape made treacherous by thought and the predation of many hunters. Gowdy acknowledges that the book is a departure from her usual work—novels and short stories about imagined, even fantastical women and their aesthetic beauties—and she admits this worries her. "What people have previously noted as my strengths, like my black humor, aren't so much in evidence here," she says, referring to her registration motto. She is perhaps being overly apprehensive. Her friend, novelist Susan Seven, thinks that *The White Bone* is "a natural evolution from her earlier work. It shows the same interest in consciousness in animal form. Think about her story of the love-sick woman in *We So Sullen Look on Love*. And her black humor is evident here, though in greater way."

Still, Gowdy's concern about her novel's reception is understandable. The 65-year-old is one of the few fiction writers in the country who makes a living from her work. The international success of her earlier books, including the 1995 novel *Mother*,

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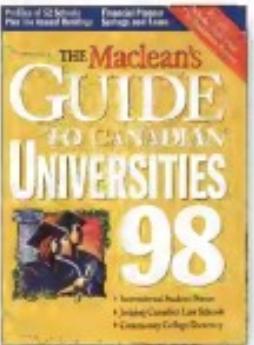
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BOOKS

Barndoor (translated for both a Governor General's and a Giller award) and her 1999 short-story collection, *We See Selves Look at Us* (whose famous title piece, which made the 1996 Canadian film *Bliss* feature a young squire who made love to his co-pilot), have enabled her to buy a Victorian house in Toronto's Cabbagetown, and to fly off on the occasional holiday with her companion, writer Christopher Dewdney. So far the prospects for *The White Rose* look exceptionally good. Pre-publication sales to booksellers are soaring, and foreign rights in Britain, the United States and Germany have been sold; so far figures show *Barndoor*, Gordy's American debut at Metropolis Books, believes the writer "has caught the wave of intense interest in things like the environment and the discovery of consciousness in animals." Adds Gordy, whose company has chosen the novel to lead its fiction list next spring: "Her books have always had extraordinary review buzz, but *The White Rose* is the lead of book people can get in love with. We're expecting it to do extremely well."

The White Rose may be gathering momentum, but its beginnings were tentative. Gordy recalls that one evening she saw the National Geographic documentary and had read everything she could find about elephants; she was very start-ed out by the project. "To write about elephants from their own viewpoint seemed outlandish," another Barbara Gordy (her mother) says. "Her book often begins the case, it was David [Gordy]—her companion since the end of her second marriage nine years ago—who encouraged her to go ahead. 'Chris told me, 'A great book about elephants is in peril, in a sense, classical and conservative. And besides, why would you care? Just do what moves you, not what might please your publisher!'"

Gordy set to work, but soon realized she needed to observe elephants in the wild. Enter Gordy's older sister, Beth Kirkwood, who runs a Tanzanian safari run-ing elephant company. When Kirkwood suggested that Gordy accompany her and her two sons, Chris and Rob, on a 1989 business trip to Africa, with a lengthy detour to Sanga-Musa Manu Reserve, Gordy leapt at the chance. They arrived during the wildebeest migration, and so were able to observe not only the usual migrants, cheetahs and jackals, but tons of thousands of wildebeests passing slowly through the arid African savannah. Says Gordy: "I got that sense of mystery and awe you get when you hear a great piece of music or see a cathedral."

Other encounters were more disconcerting. Gordy recalls one young bull elephant that kept threatening to charge their jeep. The herd driver wanted to speed away, but Gordy insisted they stay put. She had noticed that the elephant had his trunk up—a sign, gleaned from her extensive reading, that he was making only a mock charge. Today, Gordy is appalled at her own boldness. "I guess the driver had lived all his life," she says. "What the f---?" Fortunately, the elephant merely snorted and looked the dirt before wandering off.

Gordy proceeded with her book, but with trepidation. "I wrote it feeling hopeful and wide-swinging and knowing it was going to be unoriginal. Imagining the lives of these creatures, I might be completely wrong in all counts. And I thought, 'These are make-believe, not as an act of science or even as literature, but as an act of love.'"

There may be something of Gordy's artistic credo here, for it has always been love, finally, that illuminates the complex humanity of other often deformed and isolated characters, like the autistic child (who is the trembling nucleus of the family in *Meat-Soufrière*). The theme-tissue of such figures has led to considerable speculation about Gordy's own background. But she guards that her upbringing among the carpenters and oil riggers in the Toronto suburb of Don Mills was decidedly ordinary. Her mother, Chris, stayed home to raise Gordy

and her three siblings, while her father, Robert, prospered as a producer of trade shows. However, Gordy relates a recurring childhood nightmare that haunts her to this day: "In the dream, that to count all the grains of sand on the beach, or my family would die. I'd get about four thousand grains in my bucket, then someone would kick it over, and I'd have to start all over again."

The dream might be taken as a harbinger of Gordy's long, often frustrating search to find her true calling. After writing a short story invited at the Dooniecon Writers Festival when she was 15, she went on to enrol in the creative arts at Toronto's York University. But the would-be writer dropped out after only a year, disenchanted by her failure to get into the performance section of the program. At 22, she went to work for a securities firm. Her goal was to earn lots of money, buy a good piano and study in her spare time to become a concert pianist. She practiced two hours a day for seven years and then, at 29, abruptly stopped. "When I abandoned the cello, I think it was because my intention was somewhat silly," she says, adding, "I didn't play the Amato Nutcracker I didn't want to play at all." She didn't even have a teacher since.

Gordy went on to work as an editor for the small publishing company of Lester and Orpen (later Lester and Orpen Denys). When she found herself inexplicably rewriting other people's manuscripts, she thought she might try something of her own. Her first novel, *Through the Green Gates*, was a formulaic historical romance; she now regards it as a false start to get some good reviews and promptly took it off the shelf. Then, she wrote a short story, "Disneyland," inspired by childhood memories of a Dan Mills family who had built a billion-dollar shelter in their backyard. Margaret Atwood picked the darkly humorous tale for inclusion in the 1989 compilation *The Best American Stories*. That same year, it became the nucleus for Gordy's popular second novel, *Riding Angels*. Gordy had found her voice, and her career.

In *The White Rose*, Gordy has written in a kind of loose, Superficially it's reminiscent of many children's novels for such simplicity, with its talking animals and their quest for a place where they can be safe from human beings. But what makes the book so powerful and original for adults is that the world's intelligent complexity of the elephants' thoughts and feelings. Ordinarily they do nothing that real prehistoric would not do. Gordy has researched her creatures well, and all their quirky defensiveness, racing, running, butting and bumptiousness have the ring of authenticity. But it's Gordy's—where Gordy's imagination takes over—they are equally convincing as they experience the griefs and joys of elephant life. A sliver of their number are miscreants and can torment their own tragic daughter; their tasks have been assigned by the maturing humans who shoo them from traps and helicopters. According to the cosmology Gordy has created for the elephants, it's a particularly芸芸众生的—the great beasts believe that, without their tasks, they cannot cast off death to become stars in the night sky.

No doubt there will those who say that Gordy is ultraconservatively outragingously, but such criticism will miss the point. In *The White Rose* Gordy has ingeniously demonstrated that animals can have minds and complicated an inner life as humans do. It may not look exactly like the form Gordy has imagined—after all, elephants do not speak in English—but she has surely caught something of its complicated texture. Gordy herself says she wants to bring her readers to a crucial and sympathetic awareness, at a time when so many animals are threatened with extinction. "I agree with D. H. Lawrence that the novel has the power to change lives," she declares. "Even a bad novel, *Uncle Tom's Cabin*, brought about the end of slavery. I hope that people are moved by *The White Rose* in the way they haven't been moved before." □

Firing up the festival

Toronto unsools its movie extravaganza

If you see Steven L. Johnson carrying a violin case in an American movie, you might assume it contains something more lethal than a violin. And when he misses his voice, when his fingers burn cold with rhythmic contortion, you expect dire consequences. Who can forget *Pulp Fiction*? But sometimes a violin is just a violin. And in *The Red Violin*, the only glancing is a single shot that causes no apparent bloodshed. As for Jackson, portraying an appraiser of unique instruments starting Montreal, the only time he gets angry is when he phones down to the front desk of his hotel and makes not be disturbed. Welcome to the conceivable kingdom of Canadian movies, a world more likely to glorify violence than violence.

Promising this week as the opening night gala of the 23rd Toronto International Film Festival, *The Red Violin* is the year's biggest, an almost evenly anticipated, Canadian movie. Costing \$14 million (step by domestic standard), it is a lyrical epic about five countries and five languages—with a story that spans across three centuries. It is arguably the most international Canadian movie ever made.

The Red Violin is among 315 films from 50 countries vying for the spotlight at the Toronto festival. The event has become, for better or worse, the Cannes of North America—the continent's biggest movie showcase. And according to its beachless Reems, this year is a staggering number of pictures. They include Tom Cruise, Meryl Streep, Sylvester Stallone, Cameron Diaz, Drew Barrymore, Nicole Kidman, Ben Stiller, Christian Bale, Holly Hunter, Greta Scacchi, Donald and Isabella Rodriguez, Joaquin Phoenix, Isabelle Huppert, Billy Bob Thornton and Helen Mirren.

While the stars absorb much of the media glare, the festival attracts a devoted crowd of local film buffs to its eclectic programs, which range from Iranian Kiarostami to Rio de Janeiro (page 60). And the more giddy premises range from *Wise Men*—a dramedy directed by Canadian writer Robert Lepage, to *Aziz*, an animated feature with Woody Allen heading a stellar cast of voices. This year's festival also includes 83 first features, an unprecedented number. And with agents, distributors and producers converging on the city, it becomes a



FILM

Dennis O'Johnson



bust marketplace. "The Toronto festival is the best in the world," says *Art of Noise* producer Nic Fidenco. "It's a great place to do business. It's extremely well organized and friendly to the buyers. The players are there. And the audience are good."

Despite its unenviable status, the festival still faithfully purveys an self-appointed mandate of showcasing home-grown talent. And this year's crop of 22 Canadian cinematic offerings reveals a curious shift in tone. After such films as *Icebound*, *Cross, Blood and Oil* and *The Sweet Hereafter*, Canada has acquired a certain notoriety for making cold, darkly misanthropic dramas about sex, death and bewilderment—preferably all at the same time. But all of a sudden, just when we thought we had Canadian cinema figured out, it seems to have changed its tune. With some notable exceptions, the new movies are in a major key: luminous epics, poetic comedies, tragic road movies—and even some unabashedly romantic comedies.

The Red Violin is just one of several films that venture far afield for their stories. Peter Lynch tracked minnows across the shores of the Banda Sea to make *The Alfred and Staats Grammophones*, an leukemia-born film-maker from Toronto, shot *Sack a Long Journey* entirely in Bombay. "Cannes," says Guarnaccia, "sees the world's observers. We travel well. We have a tremendous documentary tradition"—of describing the world as it is—whereas the American tradition is the making of myth. Canada's a great place because nothing dramatic happens here. You pay taxes and obey the law. So you end up with these Canadian films—which fit Espanyol or Coen brothers—that essentially describe the space between people, that use physical and poetological space."

Now, perhaps, spans are even: Canadian filmmakers seem to be trying to beat up space, or escape it. There is a partial survey of their latest efforts, most of which will open prematurely in the coming months.

With *The Red Violin*, Montreal director François Girard tries to do the field what he did for the piano in *Thérèse-*Le Short Film About Glenn Gould**. Once again, Girard co-wrote the script with actor Dan McFetridge. But this time the story is fiction, the piano is silent, and the hero is the instrument itself. The story traces the fate of a rare violin from its creation in 17th-century Cremona, Italy, to its arrival in present-day Montreal. Bearing a mysterious red birthmark, it passes from the pale fingers of a child prodigy in Austria to a band of Gypsies, from the arms of an overeager violinist in London to the fires of the Cultural Revolution in Shanghai.

Among the five episodes in the violin's saga, some are stranger than others. The weird rapport between the violin (Goran Flomag) and his now-but-never-lover (Kreeta Sosala) worn periodically close to Euroloupe's heart. But the Chinese scenes are earthy. And the narrative, mixed with flash forward scenes of the Montreal auction, yields an ingenuous intrigue—finessed by Steven L. Johnson's drift performance. In the end, *The Red Violin* amounts to more than *Five Short Films About a Fiddle*. Gradually it achieves a rhapsodic power. An agent scene (composed by John Corigliano and performed by solo violinist Joshua Bell) comes down a staircase. And as the years roll away, the violin—the object itself—emerges as a charismatic, and vulnerable, character.

Screenwriter McFetridge gives himself one of the film's juiciest scenes in his role as an antiques expert who subjects the violin to laboratory tests while Jackson's character watches in horror. But McFetridge's real triumph at the Toronto festival is bringing home his own starring directorial debut, *Last Night*, after an enthusiastic reception in Cannes last May. Shot in Toronto for just \$2 million, it is far more modest than *The Red Violin*, although it tackles an on-limits topic (sex)—for most of the world. Following a series of chameleons through the first hours of their lives, it is the pervert smuttole to the



Grand (left), Koenig: a prodigy and an 'actress'

A violin rhapsody in red

In the world of Canadian film, Rithmatics is the David to Alain's Goliath. This small, artful-run Toronto company is known for Emmy-winning performing arts shows on TV and such acclaimed films as *Last Night* and *Three Big Short Films About Glenn Gould*. But with its \$1.4-million feature *The Red Violin*—getting its North American premiere this week at the Toronto International Film Festival—Rithmatics Media is playing in the big leagues. Initially, Montreal director François Girard and Toronto co-writer Dan McFetridge stopped their *Red Violin* songs to Hollywood, but they refused to surrender control. Instead, Rithmatics preserved its autonomy by spreading the risk among a complex team of international investors.

To Girard and Rithmatics, the home-turf premises mark the end of a longish odyssey. The ex-music school spunked locations in five countries. But the greatest challenge was persuading Chinese officials to allow Girard to re-create Cultural Revolution naffness in Shanghai. Producer Ny Fischer, 40, made seven trips to China before finally getting permission just five days before the scheduled shoot. And once it was legal, he had a military machine at his disposal. On the morning of a major crowd scene, recalls 35-year-old Girard, "Chinese authorities herded through the neighborhood, woke up the extras with loudspeakers and then sealed off the set by bus." Hundreds of armed police then sealed off the streets. "We'd 450 extras shouting revolutionary slogans," explains Fischer. "It became very real for the people involved, and there was the possibility that we were going to cause a riot."

Another logistical problem was syncing the violins playing to the score. The film-makers found a road wounded in Christopher Noxon, to porting a child prodigy. But Jason Flemyng, who appears in an English virtuoso, is no musician. To show him "playing" the violin, Girard concocted a stunt he called "the octopus"—two musicians, one bowed and the other fiddling, were literally tied to the violin.

Last week, *The Red Violin* had the world premiere on the opening night of the Venice Film Festival, it got a standing ovation. Rithmatics has already sold the film to markets around the world—except the United States. The movie's narrative is framed by a scene of a red violin being auctioned off for millions. And now, in Toronto, the film-makers are hoping for a U.S. bidding war to nail the one-on-screen

FILMS

stranger's mother, block-busters. Shifting from comedy to tragedy to stark romance, *Last Night* packs an emotional wallop that is rare in Canadian cinema. It is one of the year's best movies, period.

The ubiquitous McElhaney pops up yet again in the festival program, cast as an offbeat bureaucrat in Peter Lynch's *The Head*. A wildly unpredictable drama of northern life, it is the true story of Laplander Andy Bahr, an Arctic Mosse who spent six years—1929-1935—driving 3,000 miles on a 2,500-km trek from Alaska to the Mackenzie Delta on the Northwest Territories. The Canadian government had bought the land in a misguided attempt to create a new homeland for the local Inuit. Like last year's *Project Greenlight*, Lynch's wacky documentary about a man who holds a bear proof net, *The Head's* short "unstoppable quirk," says Lynch. "What attracted me was the idea of risk trying to express his great design on nature, and the importance of trying to turn the last big postmodern heresy."

The Head, which unfolds like an epic poem, is more soaring here than *Greenlight*'s more somber tone. Lynch evokes a Baroque vision of the North. And the thundering surround sound of mountain houses gives new meaning to the word "longitude." But Bahr—played by Doug Lewellen in a non-speaking role, and voiced by narrator

Scenes from *Such a Long Journey*: a number of Canadian films venture far afield for their stories

Genoux Gervais—remains an enigma. The Head never does find out what drives the man who drives the reader. In his quiet afternoons at film the celluloid, however, its director almost seems his subject.

While Lynch explores a frozen landscape, trying to distill drama from documentary persuasion, Stéphane Guasparro invests a densely populated landscape on the other side of the globe, and applies documentary techniques to a fictional story. With Scott & Lang Jones, a St. John's Canada-Britain co-production, Guasparro crafts a richly observed adaptation of the 1939 novel by Indian-born Canadian Balinese Mystery.

Set in Bombay on the eve of India's 1947 split with Pakistan, it traces the misadventures of a Paris bank clerk (Roshan Seth), whose quiet family life starts to unravel after he agrees to perform a Hindu ritual for a friend engaged in espionage. Troubled by a prodigal son and a maternal daughter, the clerk struggles to preserve his dignity in a world that is crumbling around him—seen, bailed by the wall outside his apartment, which serves as a local armistice for a grim peace to avert war with religious envoys.

Such a Long Journey features such Indian names as Seth, Om Puri and Rajat Kapoor. It is a luminously textured saga, full of

A hot list of festival fare

From Maclean's critic Brian D. Johnson, a list of personal favorites and movies bound to create a buzz at the Toronto International Film Festival:

Happiness A scandalously dark comedy about sex, lies and pedophilia from Todd Solondz.

Elizabeth! Repolitik in the 16th-century court of Lucrezia.

Central Station From Brazil, a heartrending odyssey about an old woman and a homeless boy.

Claustro A surreal Argentine tale of poetry, theatre and politics.

Last Night The screwy, sexy tale of romance, art and politics.

The Queen of Angels From France, a gritty tale of two women—factory girl and garment rebel—who get mixed up with the wrong men.

The Powder Keg A powerful drama set in war-torn Bulgaria, from Serbian veteran Goran Paskaljevic.

My Name Is Joe Kim Ki-duk's Melville mix of romance and chess.

Desert Heat A big tale of kids quarantined in a small town, with Christina Ricci.



Scene from Elizabeth!, political fatigue in the 16th century

Festen Family dysfunction, from the Dagna 45 school of weird drama. Love is the Devil Debra Jacobs plays painter Francis Bacon. **Clay Pigeons** A black comedy with Joaquin Phoenix, Vince Vaughn and Jennifer Garner.

Stans Jailhouse rap poets doing time, and getting time.

Curse A Japanese police thriller by Kenjiro Kurokawa

Shark Skin Man and Peach Wig Girl A Japanese fable of strange sex, fast drags and hot leather.

Peng Poog Bath Station In the style of Shall We Dance?!, a salacious comedy spiked with nostalgia for table tennis tournaments, Prairie Fire Australia, a romance between an asthmatic chess-smoker and a Scrabble-loving woman afflicted with eczema.

Hair Short A cool romantic comedy, featuring Neve Campbell.

Angry on My Shoulder Primer for the course of 11 years, Dennis Lehane's documentary about her best friend dying of cancer.

Après A comic, dirty homeboy Harry Dean Stanton, who fathers a puffy child, hires an electron and plays a musical about a Trotskyist party chief.

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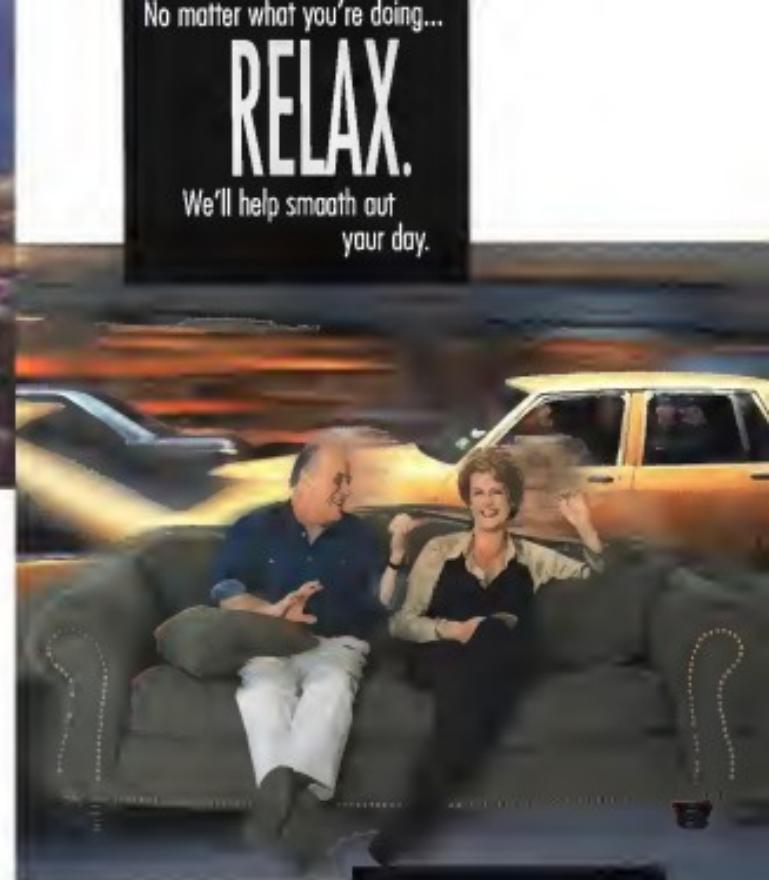
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FILMS

Donald plays his dooky romantic. And Joe Mantegna appears as a wallpaper-hanging poet, with Dale Nelson being a hell in his insatiable lover. Circuitry, a talented stylist, gleefully sends up stereotypes of Hollywood as lovers, talkers, cooks and gamblers—but his direction is so broad that he even manages to draw a bad performance from Madonna, which is no mean feat.

Rupert's Land is another strained attempt to light up the brooding climate of Canadian cinema. Directed by Vancouver's Jonathan Turner, it is a shrubbery tale of two half brothers—a hard-boiled B.C. fisherman and a pretty English lawyer—who follow a world of sex and drugs to their father's funeral in Prince Rupert. George Wendt from *Cheers* pops up along the way as a friend of the deceased—just another curios in a root cellar that presents nothing like a living, breathing life.

There is no shortage of talent on display in this new generation of Canadian films. With his first feature, a hearse black comedy titled *Grief*, writer-director Chris Gossage displays great visual panache. The last product from the Canadian Film Centre in Toronto, it is a tale of urban chaos and residential murder, starring David Hewlett (Gosford) as a reclusive third and Tamara Alex (The NeverEnding Story) as the passive nicebo who turns his crack. But behind the rock 'n' roll energy and deadpan wit, Gossage comes down to a hyperbolic exercise in schadenfreude.

Avoid so many comedies trying so hard to entertain, it is almost a relief to come across a film set in the Jeanine Charest landscape of alienation and sexual angst. *The Fishing Trip*, another feature from the Canadian Film Centre, is a straightforward revenge drama about a young woman (Barbra Trueman) who drags her sullen teenage mother (Mélanie Drouin) and the sister's dope-smoking friend (Yannick Bisson) on a road trip to confront memories of sexual abuse. At the end of the road is a cabin in the woods—and the sister's pedophile father.

The *Fishing Trip* is spare, earnest drama with no tricks but a lot of emotional power. Making his debut feature, director Anne-Marie Bachelder draws exceptional performances from the two teenagers, while the characters develop an intimacy based on life as many novice filmmakers. Bachelder, 34, did not write his own script. The director, who teaches screenwriting at Toronto's York University, got it from one of his students, Michelle Lovette.

A new season of Canadian cinema, meanwhile, would not be complete without one eye-opening excursion into depravity. And Vancouver writer-director Bruce Sweeney

when *Line of Beauty* snagged the prize for best Canadian film at the 2005 Toronto festival—delivers the goods with *Dirty*. From the opening scene, which shows a naked man clawing upstairs in a humiliating game of sexual hide-and-seek, Sweeney seems determined to appall the viewer. True to its title, *Dirty* makes you want to take a shower.

The story focuses on a quartet of universally twisted characters. A university student (Tom Scholz) is locked in a incestuous relationship with a ditzy woman (Patsy Chai), who grows hydroponic pot in her basement. He meets a pathologically needy creep (Benjamin Blauert) who works in a lumberyard, while she rents an apartment to a baleful, depressive (Cynthia Sivik) who is preening for beauty pageants. Although the men are pathetic creatures—and the film widens their point of view—the women are breathtakingly affecting. Chai and Sivik both give brave, ground-breaking performances. And Sweeney directs with a rare, robust derivative of John Cassavetes and Mike Leigh. Too bad that his vision is confined to such a small, seedy world.

While most English-Canadian film makers seem torn between stylistic cynicism and forced optimism, the latest offerings from Quebec provide a breath of fresh air—from *Ali*, Robert Lepage's giddy anti-colonial farce, to *Tokio or Nowhere*, the latest reverie from Jean-Pierre Lefebvre, a master from the golden age of Quebec cinema. In *Tokio or Nowhere*, Lefebvre has cast veteran actor Marc Labrèche as a reeked pilot with a reprobate (Tanguy Mathieu) who nurtures a dream of flying for the first time in 15 years. The theme of taking flight also figures in two feature debuts by young Quebec writers-directors. Maxime Girard explores a special and relatively brief moment in a 20-something boy's life when he becomes an urban *Vito Corleone*. And in Denis Villeneuve's August 32nd ov *Zéro*, a young woman (Pascale Bussières) and her best friend (Agnès Marcil) fly off to Salt Lake City with the mission of conceiving a child—although they are not lovers. As a two dozen others all in the white expanse of the salt flats, they find themselves in a landscape even more barren than the Canadian north, and an existential quandary that leaves no bounds.

Canadian filmmakers are at their best on the fringes of the world—from the icy cobwebs of *The Five* to the spectacular whitewash of *Last Night* from the frayed humanity in *Suck a Long Journey* to the low horizons in *The Red Pines*. They are movies with a profound sense of place. In a place where heroes get lost and love comes later than an April spring, there is just the occasional gaucho, but it's elusive for miles. □

"Big Cat" in Kanha National Park



Palace of the Wind,
Jaipur, Rajasthan

The new movies from Canada are upbeat— for a change



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TOURS
COURSES

PROVINCIAL POSTAL CODE

Allan Fotheringham

As I was saying, before I was so rudely interrupted

As I was saying, before I was so rudely interrupted... By a surgeon, it was. Well, I suppose that's better than if it was a lawyer. Or a health care provider. Or a undertaker. Everything in life is relative.

A hour with prostate cancer [a 15-minutes-on-call] can be educational, as well as painful, just as mention bushwhacking. The method boys call it the "Silent Disease," since there are lots no symptoms at all (we have one witness here) and it never gets much publicity. Mostly, our suspects, because the macho male instinct wants to hide it from disclosure.

This despite the fact—the witness has only learned this—that prostate cancer is the most frequently diagnosed cancer in Canadian men, accounting for almost 30 per cent of all cases. After lung cancer, it's the leading cause of cancer death in men. And it's the most rapidly increasing of all cancers.

It kills some 42,000 men in the United States each year and will do some 4,500 Canadians in 1989. It's about time someone paid some attention to it.

One gets the impression that prostate cancer (shown in that still-cut area of the frame) is about the same size today as breast cancer in women was a decade ago. Women then felt advanced, if not guilty, about being afflicted and tended to remain quiet about it. Only when prominent women went public with it did the general population wake up to the threat.

Cancer of the prostate is coming out of the closet because, in the same way, very downy perverts like us are testifying that they survived the ordeal. Gen. Norman Schwarzkopf (and War) has made a deficit and earned lots of sympathy for his condition.

Roger Moore, a James Bond, is still with us. So is Sir Anthony Hopkins and Michael McKean, the former Wall Street Journal king Arnold Palmer at August completed a Senate tournament and then checked back into hospital for some repair work on his operation.

One of the reasons why we haven't talked about this malady seriously one finds out, is because of the nature of its location. It was found to have long cancer, or a tumor of the brain, no one would take it



face. But anything below the belt—in what the Monty Python troupe called "the naughty bits"—is considered hideous by even the best of friends. The jokes abound.

An someone who has enjoyed disappointingly good health and boasted (privately) throughout my 36 that I didn't even have—or need—a doctor, I am only didn't know exactly where the prostate was, I didn't know what it did.

It's not exactly, you will concede, a common garden-variety object like the appendix, the liver, the spleen or even the gall bladder. The prostate has remained The Mystery Organ of our time. (You don't know where it is, how can you worry about it?)

In attempt to get something going, Sept. 21 to 27 have been declared Prostate Cancer Awareness Week. In the United States, the postal service, after issuing in July the first American stamp to fund research—fighting breast cancer—will issue one for prostate cancer awareness next year.

In Canada, as recently as 1986 only \$500,000 was spent on research into the disease. Very little is known about prostate cancer, according to urologist Paul Stoebe, director of the prostate laboratory of the Vancouver General Hospital. For sugar reason, as an example, the incidence is higher among black men. And anyone with a history—father or brother—of the disease should consider early detection testing by age 45 (a simple blood test).

There are other problems, all to do with public perception. This patient's writer under the handle covered with the advent of Viagra. I was infected with so many Viagra jokes that I could have become a stand-up comedian—if I could stand up. As a matter of fact, due to the aftermath of surgery, I couldn't do down either.

I approached life in a half-moon, looking bystanders to puzzle as to who the I was about to attack them or was preparing to set a world record in the shooting board jump.

Princess Margaret Hospital in Toronto has launched a \$12-million drive to raise funds to study and treat the disease that men tend to ignore until it's too late. There's the complaint that Health Minister Allan Rock has yet to commit any major funding to specific research on prostate cancer.

In essence, the male species with a male-only disease—just as breast cancer is a female-only disease—has had get over the mental disease endemic to men prior. Such as the protective male tendency to go into denial when there is anything involved in the neither region below the belt, especially when involved with sexual function, there's a blushing of silence.

So far, this blushing has enveloped the public at large—just as breast cancer was once a veritable subject of discussion. Come out of the closet, prostate cancer! It's about time.

PS. Thanks for the messages; it's nice to be back.



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